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Customer-Service Provider Relationship Dissolution: The Case of Affinity Marketing

Thesis submitted in accordance with the requirements of

The Open University

For the degree of Doctor of Philosophy

By

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Abstract

This thesis investigates the process of customer-service provider relationship dissolution in the context of affinity marketing, with special focus on the mediating role of affinity groups in the process. It does so through in-depth interviews, held in four regions of England, with participants who once held affinity credit cards affiliated to a charity or a professional work-related organisation.

Holistic knowledge of a relationship, from conception to ending, has become important for developing and nurturing customer-service provider relations. Yet there is dearth of studies that focuses on the dissolution of relationships. The same is true for affinity marketing, a scheme which grew in popularity because of its promise to enhance a product's appeal and provide differentiation from rival offers by linking the product with a non-profit organisation. This research is motivated by the need for better understanding of affinity marketing, an area which has become more prominent in services marketing

The research developed a conceptual framework that depicts six phases a customer-service provider relationship goes through, from conception to dissolution: i) triadic relationship (the partnership which forms affinity marketing); ii) trigger; iii) mediating variables; iv) evaluation; v) dissolution by type of customer; and vi) aftermath. This thesis found that the presumed relationship customers had with their affinity groups did not necessarily have a key role in the formation of the triadic relationship. However the relationship customers had with the affinity group through the affinity card was more prominent in the triad as well as in determining how the dissolution proceeded. Hence the findings challenge the emphasis given to affinity groups in establishing and maintaining relationships under affinity scheme. The functional, symbolic or supporting features of the affinity credit cards, led to three types of customers being identified: an *explorer*, a *communicator* and a *supporter*. Each type relates to distinct processes of dissolution. This research provides a deeper understanding of customers' perception of affinity marketing schemes. From the insight of the process of dissolution, it suggests techniques that can help to improve the design and management of the scheme, as well as prevent future dissolution.

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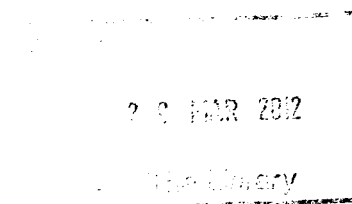
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Related Publications

Laing, A., Harris, F., & Mekonnen, A. (2004). Deconstructing affinity relationships: consumers and affinity marketing. *Journal of Customer Behaviour*, 3(2), 215-228.

Mekonnen, A., Harris, F., & Laing, A. (2008). Linking products to a cause or affinity group: does this really make them more attractive to consumers? *European Journal of Marketing*, 42(1/2), 135-153.



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CHAPTER 1 INTRODUCTION

1.1 Objectives of the Research

This research has investigated the process of customer-service provider relationship dissolution in affinity marketing. Affinity marketing is widely recognised as a scheme which:

“Involves customers who already have sympathy to one brand (be it commercial, not-for profit or another membership organization) being sold another service, by another organisation, with the endorsement of the affinity organisation and using its channels of communication.” (Mintel: 2000)

Affinity marketing is a scheme, which has been gaining prominence in the consumer market since the early 1980s. Yet there have been relatively few academic contributions on the topic. Moreover, there is no known study to date that explores what implications the customer-affinity group relationship may have on the customer-service provider relationship when the latter relationship is threatened.

In services marketing, interest in dissolution has risen owing to the recognition of its importance in understanding the development of a relationship (Antón et al. 2007, Sheth and Parvatiyar, 2000; Grönroos, 1997; and Dwyer et al., 1987). Knowledge of relationship dissolution is important for practitioners to understand customers better, to manage customers' accounts properly, to get a holistic picture of the relationship and if the need arises to support service providers in ending relationships with customers amicably (e.g. Dwyer et al., 1987; Grönroos, 1997; Tähtinen and Halinen, 2002; and Tähtinen and Havila, 2004).

Horne et al. (2000) have shown that there was a gap in how the affinity partners understood the benefits each gained - that is, knowledge gap between the customer, the affinity group and the service provider. Such a gap in knowledge could potentially lead to mismanagement of the

scheme, particularly mismanagement of the customers, and possibly even lead to the dissolution of the customer-service provider relationship. Such problems could hamper the growth of the affinity marketing industry. For example if one was to look at the earliest adopted and perhaps one of the most successful affinity products, the credit card market, Mintel (2004) has reported that the number of affinity credit cards in issue, as a proportion of all credit cards, has fallen from a peak of 8.6% in 1998 to 3.4% in 2003. However, the reason behind the fall was not explored. Furthermore, due to the difficulty in obtaining access to customers holding affinity products, there is a gap in understanding customers' attitudes towards this product and the nature of the relationship customers have with their affinity groups.

This research seeks to address some of the gaps in the existing knowledge of affinity marketing and relationship dissolution. To that end, the research set out to address three objectives:

1. To understand the process of the customer-service provider relationship dissolution in the context of affinity marketing.
2. To understand the mediating role of affinity groups in the dissolution of the customer-service provider relationship, and
3. To understand how the dissolution of the customer-service provider relationship could affect the customer-affinity group relationship. (Investigating the aftermath is important to be aware of any future implication that the dissolution may have for this related relationship.)

For academics, the research adds to the knowledge of affinity marketing from a perspective that has not been studied before. In doing so it recommends that the assumption of the triadic relationship in affinity marketing to be revised and it proposes a conceptual framework that depicts the process of customer-service provider relationship dissolution. For practitioners, it is expected that its findings will support the development and management of the scheme, and help in building a more sustainable relationship with customers.

The following sections will provide a brief introduction on the background and main topic of the research (Section 1.2), the methodology for the data collection and analysis (Section 1.3) and an overview of the structure of the thesis (Section 1.4).

1.2 Background and Topic of the Research

1.2.1 Customer - Service Provider Relationship Dissolution

In this thesis the process of the customer – service provider relationship dissolution refers to the decision process taken by the customer in the ending of the relationship. Several terminology variants including exit, break-down, defection or customer switching have also been used to describe relationship ending (e.g. Duck, 1982; Keaveney, 1995; Stewart, 1998a; and Tähtinen and Halinen, 2002). The terms ‘ending’ and ‘dissolution’ were adopted in this research to try to limit variations in terminology. The term ‘ending’ is used when discussing the phenomenon in general, and the term ‘dissolution’ is used for the research in this particular thesis as well as in reference to some of the work reviewed, if dissolution was the term the author(s) chose to use.

Tähtinen and Halinen's (2002) review on dissolution was indicative of the growing interest in the subject. The authors reviewed papers written on dissolution, published between 1980 and 2000. At a later date, in 2004, the relevance of knowledge on relationship dissolution was highlighted by the publication of a special issue of the *Journal of Marketing Management* on the subject.

The literature on relationship ending is split between those studies that investigate the 'reasons' or why relationships end and those that describe the 'process' of ending. However, in some studies the distinction between the two was not clear. Overall, the argument for process oriented research is predominant for the holistic approach it took. Nonetheless, it is also highlighted that understanding the reasons for dissolution is just as important because it was often used to explain the process. The review of reason vs. process shows that these two common approaches to investigate the ending of relationships are often intertwined when the focus of the research is on the process. Given the focus and objectives of the study presented here, a process-oriented approach is taken to examine the dissolution of the customer – service provider relationship.

1.2.2 Affinity Marketing

The first significant academic perspective on affinity marketing was offered by Macchiette and Roy (1992), who described it as a blending of affinity and the marketing concepts. Affinity, they suggest, is "an individual level of cohesiveness, social bonding, identification and conformity to the norms and standards of a particular reference group" (p.48), while the marketing concept focuses on the "expectation of benefit for the individual satisfying consumer wants and needs" (p.48). Hence, the main component in affinity marketing is the

customer – affinity group relationship which the affinity marketing scheme is leveraged upon. It is important to understand the nature of the customer – service provider relationship in depth, to be able to gauge why and how the relationship developed, the extent to which the affinity group affects the relationship and to understand how this impacts its dissolution. The literature shows that there were several organisations linked to affinity marketing schemes. For example, work-related organisations, charities, educational institutes and leisure clubs could all be linked to such scheme. Such groups are often referred to as affinity groups. Out of the diverse types of affinity groups associated with affinity marketing, for comparison, only two groups (professional and charity) are represented in this thesis. These two were chosen for the divergence that they showed in terms of how the members valued the benefits associated with the affinity product.

In examining affinity relationships and related schemes, one also needs to be aware of the strength of the affinity. That is, the strength of the relationship that members or supporters have with their group. The strength might influence customers' decision making process when the customer – service provider relationship is threatened. In the existing literature, levels of involvement have been used to assess strength of affinity (Vela-McConnell, 1999). This approach was also found to be useful in this research. Further, one has to consider assessment of the strength of the customer – service provider relationship as well when assessing the triadic relationship in question. A triadic relationship in this case involves the triangular relationship between an affinity credit card service provider, the affinity group and the card holder (prior to the dissolution of the customer – service provider relationship). In a triadic relationship it is assumed that a long-term ongoing relationship is formed. Moreover, it is believed that value is created to all partners involved in the triad provided the relationships are

managed well (Worthington, 2001). Given that the credit card market is the most successful affinity product, it was chosen to represent an affinity product for the research conducted. However, it should be noted that the affinity marketing scheme is also utilised in other financial services and several other industries, including insurance, communications, travel and tourism.

1.2.3 Affinity Credit Card: Key Features and Growth

Affinity credit cards are like conventional credit cards for the most part, except that they are affiliated to particular affinity groups and it is presumed that they are taken out by people with common interests. Usually, an affinity credit card will display the logo of the particular affinity group, along with the name of the service provider and the card scheme mark (Visa or MasterCard). The key difference between the affinity credit card and the generic bank card is that when a member or a supporter of the affinity group signs up for the card, a payment is made by the affinity credit card service provider to the affinity group. Most affinity credit card agreements include both an initial donation from the service provider to the affinity partner, ranging from £5 to £10 per card issued, and an ongoing turnover related payment, usually around 20p to 25p per £100 spent on the card.

Utilising the concept of affinity marketing, affinity credit cards provided the main focal point for affinity schemes, especially in the early days of the development and growth of affinity marketing. The affinity credit card has its origins in the United States. MBNA is believed to have been the pioneer of affinity credit card marketing in the early 1980s. It is estimated that some 20% of American credit cards are now affinity credit cards, with affinity partners ranging from alumni associations to the Elvis Presley fan club (Schlegelmilch and Woodruffe,

1995). The first affinity credit card to be launched in the UK was the Bank of Scotland Visa credit card, affiliated to the Automobile Association (AA), in 1984. The Bank of Scotland also launched the first UK charity affinity credit card in 1987, with the National Society for the Prevention of Cruelty to Children (NSPCC). The research undertaken here was conducted in the UK where there are now over 1,500 different types of affinity credit cards in circulation (Mintel, 2004). After the USA, the UK is the second most mature credit card market in the world. Out of the 67 million credit cards in issue in the UK, about 3.4% are thought to be affinity credit cards (Mintel, 2004). Recent market research report on affinity credit cards indicate that payment card affinity schemes fell in number by over 25% between 2008 and 2010 (Finaccord, 2010). This report also notes that many credit card schemes have been discontinued either through lack of demand or lack of profitability. Supporting this in a research relating to credit cards in the UK, Euromonitor (2011) reported that all personal credit cards including affinity have fallen from 69,927.4 million in 2005 to 55,894.3 million in 2010.

1.2.4 Affinity Credit Card: Benefits and Importance

The usefulness of ongoing research into triadic relationships is becoming more evident as affinity marketing develops as a business practice. The triadic relationship provides tangible and non-tangible benefits to all the partners involved (the customer, the affinity group and the service provider).

For the customer, by acquiring an affinity credit card, they may be able to benefit from a reduced service charge and be able to make financial contributions to their affinity group (tangible benefit). In addition customers could use their affinity credit card's image or symbolic value to promote their affinity groups and/or as a personal status symbol (non-tangible benefit).

For the service providers, the primary value from such partnerships is gaining access to selected potential new customers (tangible benefit). Affinity marketing offers a cost-effective way of recruiting customers and an effective way of retaining existing customers by reducing demand fluctuation (Worthington, 2001 and Swaminathan and Reddy, 2000). Highlighting the attraction of affinity marketing to financial services providers, Mintel (2000) reported that customer acquisition through affinity-based direct mail communication to a ‘warm’ audience may yield a 6% to 7% response, whereas direct mail into the mass ‘cold’ market may only yield at best a 1% response. Further, for the service provider, endorsement of a product by another well known organisation, an affinity group, may add credibility to their products (non-tangible benefit).

Finally, for the affinity groups the main benefit is that the scheme provides a source of additional income (tangible benefit). Mintel (2000) also acknowledges that affinity credit cards are recognised by many affinity groups as a significant fund-raising opportunity. The report supports this claim by the example of the University of Cambridge, whose alumni affinity credit card, launched in 1993 had 10,000 card holders by 1999 and had raised over £250,000 for the university by that date. Additionally, one of the key values of affinity marketing is the belief that the partnership will establish an ongoing relationship between the member or supporter and the affinity group (Worthington and Horne, 1996). Enhanced publicity or promotion of the affinity group is a further non-tangible benefit for the affinity group (Swaminathan and Reddy, 2000).

1.3 Methodology

This research has investigated the process of dissolution from the perspective of the customer. Detailed accounts of the process were collected from 24 participants who had ended their

affinity credit cards at most six months prior to the data collection. The participants were recruited from different regions of the UK to minimise potential bias. Two affinity groups, 'charity' and 'professional', were selected to reflect the diversity in affinity relationships and enable viable comparison. Charity groups are those that share a common cause, ideology or value system and professional groups are composed of individuals who may benefit from affiliation through networking, status or other types of recognition (Macchiette and Roy, 1992).

Since there was no known research to date that examined dissolution in the case of affinity marketing, an interpretive approach utilising a qualitative methodology was considered appropriate. A multiple case study approach (Yin, 2003) was adopted for this research. Data was collected through interviews supported by a short questionnaire. This method was based on the assumption that multiple case studies are more robust and could add confidence to research findings (Miles and Huberman, 1994 and Yin, 2003).

Analysis of the data was undertaken in four stages: i) organisation of the data into a single database using Nvivo – a software package designed to facilitate computer assisted data analysis, ii) familiarisation and coding of the data which entailed classifying categories, dimensions and themes, iii) use of a matrix in the identification of patterns and interpretation of the data and iv) preparing case study summaries to synthesise the findings and highlight the main themes for each participant involved. To allow for systematic reflection and refinement of the data, the first three stages of the analysis and interpretation were conducted iteratively (Spiggle, 1994). In the outline of chapters that follows, some of the key outcomes from the analysis s are introduced.

From here onwards, for brevity the following abbreviations will be used to refer to the relationships focused on in this research: i) C-SP relationship to refer to the customer-service provider relationship; ii) C-ACC-AG relationship to refer to the relationship customers have with the affinity group through the affinity credit card; and iii) C-AG relationship to refer to the customer-affinity group relationship.

1.4 Outline of Chapters

Chapter two provides the theoretical background to affinity relationships and relationship dissolution. In particular, the dissolution of business-to-customer relationships in services marketing is reviewed in detail. The review presented in this thesis reveals the presence of diverse affinity relationships and identifies some of the important triggers, mediating variables and influencing factors that may be present in the process of dissolution.

Chapter three details the conceptual framework proposed to guide the investigation on C-SP relationship dissolution. The framework suggests six phases in the process of dissolution: the triadic relationship, triggers of dissolution, mediating variables, response to trigger, identification of dissolution and the aftermath of dissolution. These phases were made up of the key variables and influencing factors identified in the literature, which were considered to be essential to the process. This chapter explains and justifies the use of key variables in the process as well as the presumed relationship among the variables.

Chapter four justifies and describes the research methodology. The interpretive approach which guided the study is discussed in detail. The chapter explains why qualitative research

would be more appropriate to investigate the objectives set in this research. In addition, it describes the multiple case study approach used for collecting the data and the iterative procedure used to analyse and interpret the data.

Chapter five explains the findings relating to the triadic relationship. This chapter focuses on the participants' relationship with their affinity group (C-AG relationship); the participants' relationship with the affinity group through their affinity credit cards (C-ACC-AG relationship) and the participants' relationship with their service providers (C-SP relationship). It was fundamental to understand the nature of these relationships within the triad to wholly comprehend how and to what extent each one may have influenced the process of C-SP relationship dissolution. For most of the cases investigated, the C-ACC-AG relationship was more influential than the other relationships in the triad, in the decisions that the participants made with regard to the affinity credit cards they once held. This was mainly due to the participants' perception of the affinity card in terms of its functional, symbolic and supporting role being a strong determinant in the development of the C-SP relationship.

Chapter six outlines the findings on the triggers of dissolution and the role of the key mediating variables. More importantly, this chapter also facilitates understanding of the mediating role of affinity groups in the dissolution of the C-SP relationship. It reveals that service provider related triggers, especially core product related offers from competitors, were the reason why most of the participants cancelled their affinity credit cards. Further the analysis ascertained that the five key mediating variables initially suggested to examine the role of mediating variables, could be encompassed under just three variables (exit barrier, communication and the consideration given to the affinity groups). Furthermore, it was found

that participants may have a positive, a negative, positive and negative or no consideration towards their affinity groups when they cancel their affinity credit cards.

Chapter seven presents the typology groups that emerged from the analysis and the features that underpinned the formulation of each type: an ‘explorer’, a ‘communicator’ and a ‘supporter’. Incorporating the findings from chapters five and six, it describes the participants’ overall evaluation of the process and, differentiated by each typology group, it identifies three processes for the dissolution. Finally, through the assessment of the aftermath, the behavioural intentions or actions that the participants took with respect to their C-AG relationship as a consequence of the dissolution of their C-SP relationship are noted.

Chapter eight presents a revised conceptual framework for the process of C-SP relationship dissolution in the case of affinity marketing. The revised framework discusses some of the modifications required to clarify the relations between variables and it also introduces new variables that have been added to better illustrate the process of the C-SP dissolution. For example, the variable ‘evaluation’ was added to Phase four of the revised framework, to capture some of the interactions that precede the process of dissolution. The revised framework particularly captures some of the complexities that may occur in the process of dissolution in the case of affinity credit cards.

Chapter nine discusses the main contributions of the research, its limitations, as well as the managerial implications. It also makes some suggestions for future research. Theoretical contributions of the research include: the development of a conceptual framework that depicts the process of C-SP relationship dissolution in affinity marketing; makes a proposal for the

assumptions regarding the key elements that make up the triadic relationship, in affinity marketing, to be revised to include the C-SP relationship as a possible foundation for the triad; and finally this research suggests that existing classifications of affinity groups could be extended to reflect the type of affinity relationship individuals' have. In terms of managerial implications, the findings on the types of customers (communicator, explorer and supporter) and the C-ACC-AG relationship should help service providers tailor their products and services to meet each group's needs. Furthermore, the suggestions for practitioners aim to improve customer retention as well as help relationships to end amicably. This research also suggests that service providers should recognise the importance of rising to competition and the need for continuous positive communication in both the development and the dissolution of the C-SP relationships.

CHAPTER 2 LITERATURE REVIEW

2.1 Introduction

This chapter primarily focuses on literatures related to relationship dissolution, affinity marketing and affinity relationships. In addition to these key literatures, studies on credit cards, buyer-seller relationship and consumer typology are also reviewed. Together, these literatures have informed the rationale and the methodology for this study.

2.2 Relationship Dissolution

The focus of this section is to understand what may be important in influencing the ending of relationship and the process of ending. It has been pointed out that knowledge of relationship dissolution is useful in understanding customers better, in managing customers more efficiently and should the relationship become unprofitable in supporting managers end the relationship amicably (e.g. Grönroos 1997, Dwyer et al., 1987, Tähtinen and Havila, 2004).

In the sub-sections that follow, first terminologies of dissolution used in past studies and in this investigation are introduced. Second, the importance of knowledge about relationship dissolution is discussed. Third, two main approaches to the study of dissolution, process and reasons are explored and fourth, key issues relating to relationship dissolution are discussed.

2.2.1 Dissolution - Definitions and Terminologies

In addition to the term dissolution, many other terminology variants like exit, break-down, defection or customer switching have also been used to describe relationship ending (e.g. Duck, 1982; Keaveney, 1995; Stewart, 1998a; and Tähtinen and Halinen, 2002).

In the services marketing literature, for example, Ping (1995) defined dissolution as “*the intention to leave physically the exchange relationship*”, whilst Michalski (2004) defined it as “*a stay-or-exit-decision process of one customer regarding an existing business relationship*”. Stewart (1998a) used the term customer exit to describe “*the economic phenomenon of customers ceasing patronage of a particular supplier*”. In the examples above, explicit explanations were provided for the terms and definitions that denote dissolution. However, this was not the case in all studies. In Duck’s (1982) work on interpersonal relationship ending and Dwyer et al.’s (1987) study of relationship development the various terms are used interchangeably and without explicit discussion of their meaning, which can create confusion.

Table 1 shows the range of dissolution terminologies that have appeared in the literature in reference to relationship ending, categorised by type of marketing approach.

Table 1: Alternative Terminologies for Dissolution

	<i>Business marketing approach</i>	<i>Services marketing approach</i>	<i>Marketing channels approach</i>	<i>Advertising industry approach</i>
<i>Main term used</i>	Dissolution and termination	Switching behaviour	Exit intention	Switching
<i>Other terms used</i>	Exit, switching behaviour, deteriorating, ending, fading and failure	Exit, breakdown, defection, dissolution and ending	Dissolution and termination	Breakdown, break-up and termination

Source: Tähtinen and Halinen (2002)

Tähtinen and Halinen’s (2002) review suggest that dissolution terminologies should be clarified. The work above is the only known research to date that raises awareness of the variation in terminologies and provides guidance on the context of how the different terms that represent dissolution should be used in order to help specify the focus of research. The authors

proposed that '*ending*' could be used as a general term when referring to the focal phenomenon to cover all kinds of relationship break-ups and that the terms 'termination', 'dissolution', 'switching' and 'exit' could be defined as specific types of relationship ending:

Dissolution - to denote the ending process irrespective of whether an ending decision has been made. This suggestion was in accordance with the use of the term within the business marketing approach, where the term dissolution was strongly connected to the relationship between two active parties and / or to the role of potential third actors via network effects.

Switching - to refer to such endings where the supplier or the customer is substituted for another alternative; and *Termination* - to describe a relationship ending, where one of the parties or an outside actor deliberately ends the relationship.

Tähtinen and Halinen's (2002) advice was adapted to explicitly define and describe the terminologies used for this research. Hence the term '*ending*' is used as a general term when referring to the phenomenon, whilst the term '*dissolution*' is used to describe the actual process of dissolution, for the case of affinity marketing, which is being explored here. Given that the emphasis of this research was to uncover the impact that affinity groups (third – party) have on customers' decision-making process, using the term 'dissolution' was in line with Tähtinen and Halinen's (2002) suggestion. However, it must be noted that the term dissolution also appears when referencing studies that have used this term to describe the ending of a relationship.

2.2.2 The Study of Dissolution: Importance

Ending of a relationship has been acknowledged as an important element in understanding the development of a relationship in the broad field of relationship marketing (Sheth and

Parvatiyar, 2000; Grönroos, 1997; and Dwyer et al. 1987). For example, in a widely accepted definition of relationship marketing, the extended definition of Grönroos (1997), ending or termination has been accepted as an important stage of a relationship. This definition states that:

“Relationship marketing is the process of identifying and establishing, maintaining, enhancing and when necessary terminating relationship with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met, where this is done by a mutual giving and fulfilment of promises”. Grönroos (1997)

The implication of this definition is that customers’ relationships are fundamental to organisations and that marketing should be devoted to building and enhancing such relationships. Moreover, customers are becoming increasingly intolerant of inconsistency and they can choose to dissolve the relationship as soon as a problem arises (Antón et al. 2007). Considering dissolution in the case of affinity marketing, it would be equally important for the partners in the scheme to have a complete understanding of the relationship, from its beginning to its end. Such knowledge would enable the partners of the relationship to realise the full potential and impact of their partnership. A premature end to the relationship may mean that customers end up costing the firm more than they bring in (Antón et al. 2007).

In services marketing, there is lack of research that focuses on the ending process of buyer-seller relationship and no known research to date on the dissolution of the C-SP relationship in the context of affinity marketing. Dwyer et al. (1987) were among the first marketers to address issues of dissolution in buyer-seller relationships. They argued that the process of dissolution is especially critical after parties have entered the commitment stage of relationship development. Dwyer et al. (1987) proposed a five-phase model of relationship development: awareness, exploration, expansion, commitment and dissolution. In their model,

‘the dissolution of a relationship’ was recognised as the fifth stage of the development. This particular research by Dwyer et al., (1987) has been widely cited in services marketing and provides a useful base for understanding different phases of relationship and the interconnections of these phases in a buyer-seller context. However, the authors’ acknowledge that their discussion on the final or dissolution phase is limited. It is worth noting that Dwyer et al.’s (1987) study only focused on dyadic relationships and did not take into account the impact of interconnected relationships, such as one present in affinity marketing.

In 2002, Tähtinen and Halinen’s review of researches concerning the ending of exchange relationships from the marketing discipline elicited three key points. Firstly, different aspects of exchange relationship ending can be revealed, depending on how the ending was viewed, that is whether it was seen as a decision or a process. Secondly, often diverse terms were used without explanation, which could lead to confusion. Finally, four research traditions on exchange relationship ending were identified: (i) business marketing approach; (ii) service marketing approach; (iii) marketing channels approach; and (v) advertising industry approach.

Shortly after, in 2004 a special issue on dissolution was published in the *Journal of Marketing Management*. Two of the papers published, Michalski’s (2004) and Perrin’s (2004), provided useful insight because their focus on business-to-customers relationships ending in the services industry was in line with this study. The two papers are discussed in more detail in Section 2.2.3.1.

2.2.3 Existing Research on Relationship Ending (Process vs. Reasons)

This sub-section aims to provide insight into studies that relate to the process of and the reasons for ending relationships. On the whole, process-oriented research was viewed as having a more holistic understanding of relationship ending. Nonetheless, the literature also showed that awareness of the ‘reason(s)’ relationships end was equally important. What’s more, it should be the specific research question that should determine whether one should take a process-orientated or a reason-orientated approach. In both the services and businesses marketing, in some cases it was difficult to specify whether the main focus of the study was on the process or the reasons. The difficulty arises because often there was overlap in the findings from the two areas of focus.

This research takes a process-orientated approach because the objectives set out entail understanding the full process of dissolution. In the context investigated here, ‘*process*’ was used to refer to the nature, sequence and order of activities and events that a relationship undergoes during the process of dissolution. The sub-sections that follow review some of the different models that have depicted the process of relationship ending (Section 2.2.3.1) and studies that investigated reasons for dissolution (Section 2.2.3.2). Although the dissolution of C-SP relationship in a business-to-consumer environment was central to the investigation in this research, publications relating to the ending of business-to-business relationships were also informative. Especially, given that this research was within the context of a triadic relationship that encompassed a business-to-business relationship as well, that is, between the service provider and the affinity group.

2.2.3.1 Approaches to the Process of Dissolution

Duck's (1982) work on phases of dissolution based on interpersonal relationship ending has informed many researchers from different strands of marketing in their investigations on relationship ending. For example, Hocutt (1998) and Michalski (2004) in services marketing and Alajoutsijärvi et al. (2000) and Ping and Dwyer (1992) in businesses marketing have been influenced by Duck's work. Duck (1982) proposed that relationship ending has four phases from start to end:

- (i) *Intra-psychic phase* - activity that the person produces in seeking a justification for withdrawing from the relationship.
- (ii) *Dyadic phase* - the person has justified withdrawing and faces confrontation or avoidance dilemma, with confrontation, one has to negotiate with partner to either repair or end relationship.
- (iii) *Social phase* - assuming that the negotiation pushed towards dissolution, this phase represents working out of the social and public consequences of the decision. And
- (iv) *Grave dressing phase* - getting over activity which may include simplification, rationalisation and beautification of the course, themes and outcomes of a relationship when it still flourished.

Overall, Duck (1982) suggests that "the emphasis of the early phases of the model is conceived to be a cognitive one, especially focused on evaluation and decision-making. Later phases are the times where the actions consequent upon such evaluation and decision-making are executed" (p.17). Furthermore, Duck argued that a relationship's full life-cycle was an important influence in the ending process. This idea of a full life-cycle influencing the ending process led many researchers to consider the various phases that any type of relationship could

go through and the importance of taking a holistic approach when exploring relationship ending.

In agreement with Duck's (1982) proposal for process-orientated approach, Halinen and Tähtinen (2002) argued that a process model of relationship ending was useful because it explains a range of important issues. The authors pointed out that such a model could show in detail how an existing relationship could end and what influences the process. Further, Tähtinen and Halinen (2002) claim:

“Most important observation for research is that we must avoid the risk of seeing relationship dissolution as an event. On the contrary, it is a process, an extended one with many facets”

C-SP relationship ending has been investigated from different theoretical perspectives. Key elements such as dissatisfaction, commitment and voice have been used to show the process of ending. The process has also been depicted through the length of time it takes to end and the strength of reaction to the ending (Ross and Strandvik, 1996). Most of the studies on relationship ending are rooted within the marketing discipline. However, there are some studies that have used relationship ending frameworks and theories from other disciplines such as social psychology (e.g. Baxter, 1985 and Duck, 1982) and economics (e.g. Hirschman, 1970).

For instance, Hocutt (1998) developed a 'relationship dissolution model', using an investment framework model proposed by Rusbult (1983), from the social psychology literature. Hocutt developed the model with the intention of applying it to a consumer-service provider relationship. Hocutt's (1998) model was concerned with the ending of relationships, with key

factors affecting commitment used as a focal point for the investigation. Based on an adaptation of Rosbult's framework, Hocutt's model depicts key structural antecedents (triggers) to relationship commitment, which she specified as: relationship satisfaction (i.e. satisfaction with the service provider), availability of alternatives (i.e. quality of alternative providers), and investment size (i.e. investment in the relationship). The model considers the impact of these antecedents in the likelihood of the relationship ending. The author found that there was a positive correlation between relationship satisfaction and commitment, a negative correlation between quality of alternatives and commitment, and a positive correlation between investment size and commitment. From these findings, Hocutt (1998) offers classification of 'types of dissolution', depending on who decides to end the relationship, that is, whether it was consumers' decision, sellers' decision or a mutual decision.

Adopting a different approach, Stewart (1998b – theoretical study) used an economics theory, relating to an 'exit, voice and loyalty' framework (EVL) in investigating the process of ending. The EVL model, which was first introduced by Hirschman (1970), sought to analyse customer and citizen responses to dissatisfaction. Similarly, Stewart (1998b) placed dissolution within a model of responses to customer dissatisfaction. Taking ideas from Hirschman's seminal work, Stewart (1998b) explored the impact of four central ideas: *quality decline, availability of alternatives, exit barriers and voice as an alternative to exit*.

In another study, an empirical work on exit in retail banking, Stewart (1998a) developed a model of the exit process that included: *problem, effort, evaluation, emotion, exit and post exit evaluation* as key components of the process. From this study Stewart (1998a) concluded that exit from a relationship is an involving process, indicated by the presence of effort, emotion and evaluation, rather than a clear cut process as held in the 1970 economic theory of

Hirschman. From her investigation on bank customers, Stewart (1998a) suggested an explanation of relationship ending in relation to the consumers' response to declining quality. However she also pointed out that the relationship ending cannot be sufficiently explained by dissatisfaction. Furthermore, Stewart (1998a) suggested that the degree of exit and the availability of alternatives were inconclusive. As far as exit barriers were concerned Stewart's (1998b) study supports Hirschman's notion of barrier(s) as a deterrent of exit.

Focusing on marketing literatures, Roos and Strandvik (1996) showed that there was potentially a much longer process behind customers' decision to end their relationship with the service provider. Starting from a relationship perspective, they argued that the ending process could be described by: - the initial state of the relationship, the trigger invoking the ending process, the nature of the process itself and the final outcome state. Furthermore, Roos and Strandvik (1996) suggested that ending occurs through different processes and can be categorised by the length (short or long) of the ending and its final outcome (strength of customer reaction – strong or weak). Based on a study in supermarket settings, Roos and Strandvik (1996) presented four kinds of ending processes: (i) short process, strong reaction; (ii) long process, strong reaction; (iii) short process, weak reaction and (iv) long process, weak reaction.

More recently, Michalski's (2004) study on customers ending their relationship with their bank identified, described and explained six types of ending processes: forced, sudden, creeping, optional, involuntary, and planned ending. This work was based on Halinen and Tahtinen's (2002) work on a process theory of relationship ending. Michalski's (2004)

suggests that a combination of trigger, switching determinants, the number of critical incidents and who makes the decision to end the relationship had bearing on the conduct of the process.

Another recent example of a process-orientated study in services marketing is Perrin's (2004) work on the process of brand relationship dissolution. Perrin's (2004) study focused on how brand detachment influenced the dissolution of the relationship between consumers and brands. The author described the outcome of a break-up in the affective bond that normally exists between a consumer and his/her favourite brand. Perrin argued that brand detachment has a negative influence on the consideration a consumer gave to the brand and the consumer's subsequent buying behaviour in relation to it.

Considering a businesses marketing approach to process of relationship ending, Halinen and Tähtinen's (2002) and Tähtinen's (2002) work were of particular interest here because it was found to be very informative in understanding the general processes of ending. Based on a dyadic and longitudinal case study of a business relationship ending, Tähtinen's (2002) work was empirically grounded in the tentative process model of Halinen and Tähtinen (2002). Tähtinen's (2002) framework described the ending process by dividing it into six stages performed by four actor levels (illustrated in Figure 1). This framework is a collection of the possible stages that the ending process travels through. These stages are: (i) consideration (ii) communication (iii) restoration (iv) disengagement (v) enabling and (vi) sense-making and aftermath. Tähtinen (2002) described actions (within each stage) with the use of different actor levels, that is, entities performing the actions (individual, company, dyad, network) to allow for a more detailed description of complex processes. Further, they also explained that some of the actions may take place simultaneously because different actor levels are performing the

actions. Each stage is not discussed in detail here however, its inclusion to this review was important because it provides a view of some of the key features identified in most studies of relationship ending, as well as highlighting possible stages of an ending process.

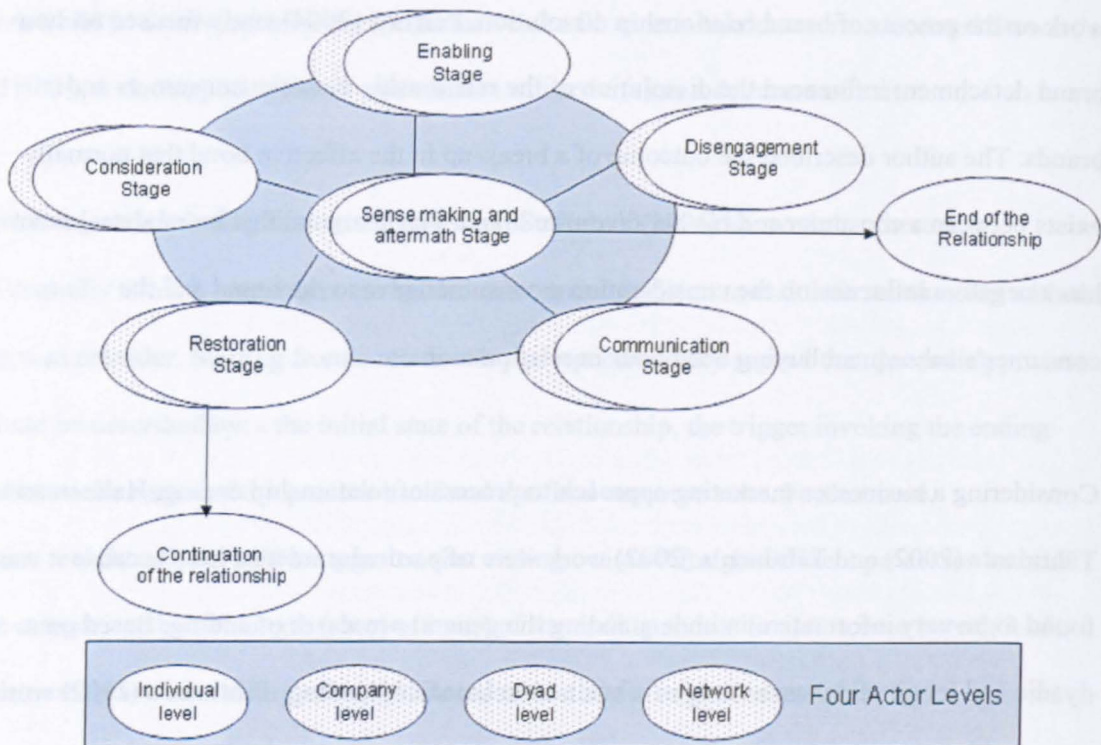


Figure 1: Framing the business relationship ending process (Tähtinen 2002, P.335)

2.2.3.2 Reasons for Dissolution

Quality decline, availability of alternatives and dissatisfaction are some of the common reasons already identified as key factors for ending in Hocutt's (1998) and Stewart's (1998a) process-oriented studies discussed in Section 2.2.3.1. In services marketing, the stream of research on relationship ending starts from the exploratory study by Keaveney (1995) on customers' switching behaviour. Keaveney (1995) identified eight major reasons. Some of

these could be associated with feelings of dissatisfaction with the service (e.g., core service failure, failed service encounters and poor service recoveries) whilst others were extrinsic or situational factors (e.g., price, inconvenience, ethics, competition, and voluntary situations). Similar reasons have also been reported in several other studies (e.g., Antón et al., 2007; Bansal et al., 2005; Colgate et al., 1996; Hocutt, 1998; Roos, 1999; and Stewart, 1998a and 1998b). For example, Roos (1999) classified the reasons that initiate the consumer's switching process into three types: '*sawyer*' (this is a type that either mitigates or prolongs switching decision), '*pulling determinant*' (this refers to reasons to come back to the original service provider after switching) and '*pushing determinant*' (these are the reasons for switching – e.g. service failures or failures in service recovery, pricing and inconvenient location). Roos (1999) also identified variation seeking and events in other relationships that influence the focal one, as reasons to switch to a different service provider. These reasons partially explain why satisfied customers also switch services (Stewart 1998a). Furthermore, it highlights the need to consider reasons beyond dissatisfaction when investigating the ending of relationships.

Another example is Antón et al.'s (2007) study on determinant factors relating to the firm's behaviour and its relationship with its customers. The authors examine how service quality, perceived price, commitment, anger episodes, and consumer satisfaction intervene to produce switching intentions. Antón et al.'s (2007) work provides evidence that some service providers' behaviours (such as poor service quality and weak commitment) precipitate relationship dissolution, whereas other behaviours (such as perceived price – unfair and anger episode) create a predisposition to switch.

It is worth noting that the reason(s) for ending a relationship in Antón et al.'s (2007), Keaveany's (1995) and Roos's (1999) study were specifically looking at switchers. Thus, one should anticipate that more reasons for ending a relationship could emerge from investigations that focus on ending in general as opposed to just switching.

Research has shown that it tends to be customers who instigate the ending of a relationship with service providers (Keaveney, 1995; Colgate, 2001; and Roos et al., 2004). However, Hocutt (1998) pointed out that this was not always the case and that relationships could end due to pressure from sources outside the relationship in question. With such a possibility, one should acknowledge that other circumstances changing could be an important source of trigger as well. For example, in the context of the dissolution of the C-SP relationship in the case of affinity marketing, the ending of the relationship between the affinity group and the service provider could possibly trigger the process of dissolution. For example, such an event occurred in 2001 when the National Trust terminated its association with HSBC and decided to discontinue the provision of the affinity group endorsed affinity credit cards through HSBC (Mintel, 2004).

2.2.4 Key Issues Relating to Relationship Dissolution

The review of relationship dissolution literature brought forth a number of key points. Firstly, the discussion on the diverse terminologies utilised in existing studies gave some clarity and distinction in selecting the appropriate terminology for this study (dissolution and ending). Secondly, the importance of dissolution to the field of marketing was highlighted. Thirdly, the review showed that dissolution could be approached from two different perspectives, process or reasons, depending on the focus of the study. On the whole the process approach was seen

as advantageous for this study because of the holistic view it gave. There are a number of studies that proposed a model for the process of relationship ending (e.g., Hocutt, 1998; Stewart, 1998a and 1998b; Ross and Strandvik, 1996; and Michalski, 2004). However, these models varied a great deal in how they analysed and depicted the ending process. Despite these contributions, the field still lacks a more comprehensive process model or framework that would help to understand why and how relationships come to an end, especially in a complex market such as affinity marketing. Having looked at the existing literature on relationship dissolution, the section that follows will discuss ‘affinity marketing’ - the context this research is based on.

2.3 Affinity Marketing

The objective of the review in this section is to present a detailed description of what affinity marketing constitutes (conceptual issues) and reflect on the research done to date. It was imperative to understand the market that the affinity-marketing scheme was established to fully examine the dissolution of the C-SP relationship. Therefore, first, the partnership (triadic relationship) which makes up affinity marketing is examined and second, the concept of networks and how it could be utilised in affinity marketing studies is explored. Finally, existing studies of affinity marketing in services marketing are reviewed.

2.3.1 Affinity Partnering – The Triadic Relationship

Given that the development, benefits and importance of affinity marketing was discussed in Chapter one, the focus of this sub-section is to explain the foundation of affinity marketing. To briefly reiterate from chapter one, affinity marketing was described as a scheme which:

“Involves customers who already have sympathy to one brand (be it commercial, not-for profit or another membership organization) being sold another service, by another

organization, with the endorsement of the affinity organization and using its channels of communication.”
(Mintel: 2000)

In addition other research (e.g., Macchiettee and Roy, 1992; Roy and Berger, 2005 and 2007; Schlegelmilch and Woodruff, 1995; Worthington and Horne, 1996; and Varadaragen and Menon, 1988) have also suggested similar explanations which encompass the notion of mutual benefit. The strength of an association's affinity has been found to correlate positively with the strength of an association's endorsements, motivation for members' participation, and members' identification with the association, and negatively with member decline (Roy and Berger, 2007). In general, it is important to understand why and how a relationship was formed, when investigating its ending.

One of the earliest works that illustrates the triadic relationship which the affinity marketing concept is based on is Macchiette and Roy's (1992) 'affinity interaction model'. The model depicts the triadic relationship formed between the consumer, the affinity group and the commercial organisation. In their model Macchiette and Roy (1992) highlighted how various forces such as 'promotional clutter', 'dynamics of the market place' and 'the economy' could influence the triadic relationship and its future. Unlike a dyadic relationship that exists in a pure exchange or a transaction market, in a triadic relationship it is assumed that a long-term ongoing relationship is formed. Typically, transactional exchange involves single short-term events, which have a distinct beginning and end (Dwyer et al., 1987). Relational exchange on the other hand, transpires over a period of time, and exchange participants are expected to derive complex, personal, non-economic gains to communicate through social exchange (Dwyer et al., 1987). Furthermore, in a triadic relationship it is believed that value or benefit is created to all parties involved, provided the relationships are managed well (Worthington, 2001). There are tangible and non-tangible benefits associated for the customers of affinity

products (Chapter one). The customers could benefit from a reduced service charge and from being able to make a financial contribution to their affinity group. For the service providers, the primary value from such partnerships is gaining access to selected potential new customers. Finally, for the affinity groups it provides a source of additional contribution. Furthermore, one of the principal values of an affinity product is the belief that the partnership will establish an ongoing relationship between the member or supporter and the affinity group (Worthington and Horne, 1996). In terms of factors influencing the decision to buy affinity products, Mintel's (2004) report has shown that supporting a good cause is the most common purchase prompt, but price was also a key factor in the purchase decision. However, being a member of the charity or the organisation was less of an influence.

Worthington and Horne (1995) introduced a similar depiction of the affinity partnering which they named 'the affinity triangle'. Based on an investigation of affinity credit card offerings the affinity triangle was intended to demonstrate the dynamics of the triangular relationship between an affinity card issuer, the affinity group and the cardholder. Worthington and Horne (1995) started off by portraying the affinity triangle as a symmetrical triangle, with a symmetrical distribution of inputs and outputs (illustrated in Figure 2). The affinity triangle implied a win-win situation for all the participants in the affinity credit card triad. However, at a later date, seeing a win-win situation as unlikely in reality, an asymmetrical affinity triangle, named the 'unequal affinity triangle' was proposed (Worthington and Horne, 1996). The unequal triangle, illustrated in Figure 3, was based on research carried out with alumni officers at UK universities, responsible for establishing the relationship with the affinity card issuer. The authors argue that the "prime" relationship was between the service provider and the cardholder because the cardholder has revealed personal details such as income and

employment circumstances to the service provider. Further the relationship is reinforced by continual use of the card and is considered to be tight (hence the short side of the triangle). The relationship between the service provider and the university alumni remains fairly strong because they have mutual vested interests. The service provider is reliant on the continued access to the alumni for recruiting more card holders and the university is regularly receiving income relating to the affinity card from the service provider (the second shortest side of the triangle). Meanwhile, the relationship between the university and their alumni becomes the weakest of the triangle, represented by the largest axis, because the contact is intermittent (e.g. magazines, reunions, etc) In general, although relationships are based on achieving, a ‘mutual exchange and fulfilment of promises’, these relationships are rarely symmetrical (Grönroos, 2000).

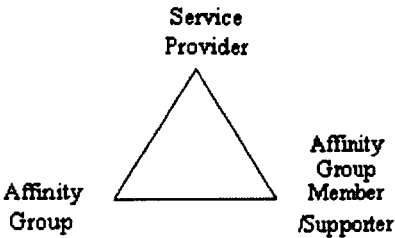


Figure 2: The affinity triangle (Worthington and Horne, 1995, P29)

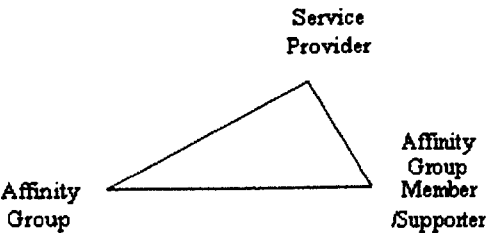


Figure 3: The unequal affinity triangle (Worthington and Horne, 1996, P191)

Moving on to how this triadic relationship is perceived, Horne et al. (2000) conducted a study that investigated the knowledge gap between the parties in a triad. Their interview with twelve cardholders, the person responsible for running the affinity credit card scheme at the affinity group and the affinity administrator of the service provider revealed that the parties involved in the triad differed in the weighting they attached to each relationship. The weighting related to twelve attributes that were believed to adequately cover all the facets of the affinity credit card market. For example, size of the affinity group database, annual fee, reputation of the bank, donation per card taken out etc. Horne et al. (2000) showed that there was far less convergence of opinion concerning what the affinity group or the cardholder wants. Hence there were differences in how the relationship was perceived. The authors illustrated that all the parties knew what the bank wanted, but were far less certain about the importance of the attributes to the two other relationship partners. However, Horne et al.'s (2000) investigation was limited to university alumni groups. Thus, it is possible that relationships linked to varying types of affinity groups may or may not exhibit these differences. Roy and Berger (2005) pointed out that a better understanding of how members or supporters perceive their affinity group's unique qualities, social status and size may provide a way of measuring the strength of 'affinity' and hence their receptivity to affinity marketing. Hence, the triadic relationship could be evaluated from the perspective of customers by exploring the C-AG and the C-SP relationships. Subsequently this could also lead to a better understanding of the dissolution of the C-SP relationship.

Mintel (2004) has shown how the complex nature of triadic relationship might lead to a problem in relation to how the customers are managed if the partnership between the affinity group and the service provider was to come to an end. For example, if the affinity group was

to form a partnership with another service provider, both organisations (the affinity group and the first service provider) may feel that they have the right to maintain their relationships with the customer. The service provider might generally try to maintain the relationship by offering customers an alternative product from their portfolio, whilst the affinity group might be keen to sell to the members or supporters who had signed up for the affinity scheme, their new branded product offering.

Technically the affinity groups might feel that they should have a say in the relationship, since it is assumed that the customer will be a member or supporter of their organisation. Besides, it is assumed that the affinity group would obviously have been the host group that provided the service provider with details of the customers' names and addresses in the first instance.

However, in reality it tends to be the service provider that generally takes control of the customer relationship in affinity marketing schemes. For example, with affinity credit cards, the service providers know who the card holders are, they speak or communicate with them regularly via the monthly statement and ultimately they provide the customer service to their card holders. Moreover, the affinity group was not always told even which of their members have actually arranged a financial product via the scheme (Intel, 2004).

Another study that highlights the complex nature and possible problem associated with a triadic relationship is Worthington and Horne's (1995) study of the nature of affinity marketing. Worthington and Horne (1995) suggested that rather than cementing the relationship an affinity marketing scheme could actually dilute the relationship between the customer and the affinity group. This suggestion stems from the examination of the notion of 'customer ownership' by relating it to the strength of the C-AG relationship. Worthington and

Horne (1995) argue that the reason why the C-AG relationship weakens was because the scheme introduces another participant in the relationship who may be keener to have a strong relationship with the customer. For this reason, Worthington and Horne (1995) claimed that there was a dichotomy between the theory and the practice of relationship development in affinity marketing.

Reflecting on Mintel's (2004) and Worthington and Horne's (1995) findings on possible problems relating to who should have control over the C-SP relationship, one should also anticipate that such problems could arise, if a C-SP relationship is under threat due to the break up of the relationship between the affinity group and the service provider. The above studies have raised important issues relating to the understanding of triadic relationships. But both these studies were limited to the affinity credit card market. Furthermore, Worthington and Horne's (1995) study investigated just one affinity group, a university's alumni card. Another gap in the two studies above was that they did not consider how customers would react in the event where the relationship between the service provider and the affinity group was to end. Further knowledge of interconnected relationships, as one depicted by networks, could provide a deeper understanding of the dynamics in a triadic relationship. Thus the concept of network was reviewed and is presented next.

2.3.2 Utilizing the Concept of a Network in Triadic Relationships

The term network has come to have many meanings. Iacobucci (1996) who has done extensive research on network relationships, particularly in business-to-business marketing describes networks as follows:

“Colloquially, networking is a verb used to describe the initiation and sustenance of interpersonal connections for the rather Machiavellian purpose of tapping those

relationships later for commercial gain. As a noun, a network describes a collection of actors (persons, departments, firms, countries, and so on) and their structural connections (social, communicative, financial, business, strategic and so on).”

(Iacobucci 1996)

Knowledge of networks may be used to deepen one’s understanding of a triadic relationship. For instance, in interconnected relationships all the partners involved could be susceptible to being transformed as a result of change(s) that may occur in a single dyad. Understanding of the complexity behind such change could enrich one’s understanding of customers’ behaviour and perspective with relation to the interconnections that exist within a triad. Further this could also help in getting a better understanding of any dissolution within the triad.

The study of relationships in the context of networks is commonly found in business-to-business marketing, especially in the industrial marketing and purchasing group (IMP), where the concept of network has been used to portray the interconnections that exist between many organisations. Ford et al.’s (1998) study on business-to-business relations suggests that when a single buyer-seller relationship is being examined, one must be aware of how intertwined the relationship is with others relations held by both the buyer and the seller in the wider network.

The above presumes that anything beyond a dyad can possibly be seen as a network.

Similarly, whilst studying the strength of weak ties in interpersonal networks, Granovetter (1973) used a triadic relationship to derive implications for a large network of relations. In contrast Iacobucci (1996) identified a triad as a group and a network as a much larger group.

Considering relationship ending in the context of a network, the literature has shown that changes occurring in a single dyad may have a wider impact on the network. For example, in a study that explores the dynamics of business networks, Halinen et al. (1999) used the terms

confined change and *connected* change to explain the possible impact of the relationship of one dyad within the network ending. Contained change was used to refer to change that remains within the dyad, whilst connected change was used to refer to change that may affect other actors in the network. Hence these terms were used to make a distinction between change that may or may not be affected by interconnections that may exist within the relationship. Other studies of business relationships ending such as Harrison (2001) and Tornroos (2004) also support this view of change in one dyad leading to multiple relationship ending.

In the context of affinity marketing, different types of affinity relationships are presumed to be present between the members or supporters and the affinity groups (discussed in Section 2.3). For example, social bonding, union, identification, and alliance are examples of types of attachments noted in affinity relationships (Macchiette and Roy 1992, and Vela-McConnell 1999). Considering network effect, one could anticipate a change in the C-AG relationship to lead to a change in the C-SP relationship. There are no known affinity marketing literatures that explicitly draw on the network experience, yet by its very nature (that is the inter-connectedness that exists within affinity partnership) the network approach may be a possible way of exploring relational phenomena in affinity marketing. Furthermore Halinen et al.'s (1999), Harrison's (2001) and Tornroos's (2004) perspectives on a problem in one dyad having multiple impact on the network demonstrates the possibility of viewing a triad in the context of a network. As such it raises awareness of possible triggers of dissolution as well as impact of triggers relating to the different partners within the triad.

2.3.3 Studies of Affinity Marketing in Services Marketing

This sub-section introduces existing work on affinity marketing focusing on how the subject has been approached, difficulties encountered and possible gaps, and reflects on lessons that could be learnt from past studies.

There is limited research in the field of affinity marketing. Further, contributions thus far have largely focused on understanding the nature, the development and the success of the scheme. Most of the studies have mainly explored the relationship between business-to-business partners, in the context of one type of affinity product, the affinity credit card. This limitation has been partly due to the difficulty in obtaining access to customers holding these products. Hence, there is a gap in understanding customers' attitudes towards affinity products and the nature of the relationship customers have with their affinity groups. Out of the few studies that examine the business-to-customer relationship, Laing et al.'s (2004) and Mekonnen et al.'s (2008) study of affinity marketing were found useful because these studies were based on a relatively large and diverse sample and offered empirical evidence of the customers' perspective on affinity marketing.

Considering how affinity marketing fits within the broader field of services marketing, while most of the studies to date placed it within the context of relationship marketing, associations of the topic have also been made with symbiotic marketing and cause-related marketing.

Macchiette and Roy's (1992) theoretical examination of the concept of affinity marketing was one of the earliest publications on the topic. In this work Macchiette and Roy distinguished affinity marketing from other marketing related terms and suggested that it was an extension

of relationship marketing, building brand equity and implementing the marketing concept in its truest sense. Macchiette and Roy (1992) offered a guideline for differentiating between three general levels of affinity (true, moderate and nominal) and also suggested a taxonomy for classifying sources from which five types of affinity groups (professional, membership, lifestyle, cause-based and university) were identified.

Following Macchiette and Roy's (1992) study, Worthington and Horne who made an extensive contribution to the literature between early 1990s and 2001 dominate the academic literature on affinity marketing. In 1992, Worthington and Horne introduced a relationship dimension with the notion of a win-win situation and the triadic relationship. At a later date, in 1995, using alumni affinity credit cards as an example, the authors placed the research context firmly in the relationship marketing arena. The above study used the five-phase relationship model proposed by Dywer et al. (1987) to describe from both sides, the evolution of the business-to-business relationship between the affinity credit card issuer and the affinity partner. The phases identified in Dywer et al.'s model are: awareness, exploration, expansion, commitment and dissolution. This framework of a relationship life-cycle was used in two further publications on affinity marketing, in Worthington and Horne (1996) and Worthington (1997). These publications investigated the evolution of the relationship between the card issuer and the affinity group, from the perspective of the card issuer. One of the key outcomes from the above was to show that the affinity triad could be asymmetrical. Dwyer et al.'s (1987) model was useful in examining the development of relationships over time, however it does have limitations. It does not, for example, offer the opportunity to test the perceived strength of a relationship at a particular moment in time.

To address the limitations of using the five phase model suggested by Dwyer et al. (1987), Worthington and Horne (1998) used the concept of symbiosis to test the relationship marketing paradigm. Symbiosis is an ecological analogy of relationships, offered by Gummesson (1994). In biological sciences the concept of symbiosis is used to demonstrate the association or living together of two unlike organisms, for the benefit of each other. The authors took this concept and its five part classification developed from the biological model, which can be used to classify the degrees of symbiosis and applied this to affinity credit cards. Although the symbiosis approach offers researchers a model for measuring relationships with a more complex classification than that offered by Dwyer et al. (1987), it is essentially a dyadic framework. Thus, the symbiosis approach reduces the possibility of carrying out meaningful research of relationships in a triadic setting (Worthington and Horne, 1998).

Another study relating to affinity marketing with similar approach was Fock et al.'s (2004) work on the impact of a prestigious partner on affinity card marketing. In the above study the authors argue that affinity marketing is an extension of 'symbiotic marketing'. Symbiotic marketing was first introduced by Adler (1966), who used it to reflect the phenomenon of symbiosis in the natural world, to his observation of successful industrial collaborations.

Fock et al.'s (2004) findings showed that two key points influenced intentions and behaviours of affinity credit card holders. Firstly, a cardholder's attitude was influenced by the cognitive evaluation of card benefits instead of by affective loyalty toward the bank or the affinity group. Secondly, intentions and behaviours were influenced by the perceived prestige that the card holds. Shortly after in a study related to the above, Woo et al.'s (2006) analysis of endorsement effect in affinity marketing – the case of affinity credit cards – used students as research participants the authors showed that there is a link: (1) between consumers' attitude toward the university and their beliefs about its affinity card serving to enhance the perceived

quality of the affinity card and (2) between consumers' attitude toward the university and their behavioural intention to use its affinity card serving as cause-related motivation to support the university. Further, Woo et al. (2006) noted that their hypothesis of affect transfer effect relating to the link between the attitude toward the university and the attitude toward its affinity card was not found to function as one of the endorsement effects.

In the services marketing literature, the first time affinity marketing appeared in association with cause-related marketing was in Varadarajan and Menon's (1988) work on the concepts of cause-related marketing. In this work the authors described affinity marketing as an extreme type of highly targeted cause-related marketing. Varadarajan and Menon (1988) defined cause-related marketing as:

“The process of formulating and implementing marketing activities that are characterised by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organisational and individual objectives.”

Similarly, in their study of affinity marketing Macchiette and Roy (1992) suggested that the revenue generated by affinity could be seen as cause related marketing. Soon after, in Schlegelmilch and Woodruffe's (1995) comparative analysis of the affinity card markets in the USA and the UK, it was suggested that affinity credit cards fit with cause related marketing because a firm (the card issuing service providers) uses an association with a designated cause (for example a charity) to market its product or service. The authors showed that there were very few differences in the way affinity cards were received in the USA and in the UK.

2.3.4 Key Issues Relating to Affinity Marketing

This section introduced and explained what an affinity marketing scheme generally entails. Further, it showed some of the complexity that may exist when the question of who controls the C-SP relationship is raised and possible concerns that may arise in the event of dissolution. It also described different types of relationships that could be regarded as a network and it discussed how a networks approach could be utilised to understand the dissolution of interconnected relationships. Finally, the review of affinity marketing showed how existing studies of affinity marketing, associated the topic with relationship marketing, symbiotic marketing and cause-related marketing.

To get a better understanding of a triadic relationship, just like any other type of relationship, one needs to understand its development. One of the main components of the triadic relationship in affinity marketing is the affinity relationship which the scheme is presumed to be leveraged upon. Therefore, the next major section of this chapter presents a review of affinity relationships.

2.4 Affinity Relationship

This section reviews the relationship between the affinity group and its members or supporters. In doing so it aims to provide some insight into the nature of the affinity that individuals have, which is presumed to be one of the key elements in the foundation of affinity marketing.

Knowledge of the nature of a relationship and its development has been considered to be important in understanding its opposite, that is, relationship ending (Duck 1982, Dwyer et al. 1987). The basis under which the relationship was developed could be an important influence

in determining the process of C-SP relationship dissolution (Halinen and Tahtinen, 2002; Michalski, 2004). Hence in the context of this research, understanding the foundation of affinity relationships was important in understanding the process of the C-SP relationship dissolution. Next the sub-sections that follow introduces the concept behind affinity relationships and reviews existing categorisation of affinity groups.

2.4.1 Concepts of Affinity Relationships

Information on the strength and nature of an affinity relationship is useful when comparing different affinity groups. Exploring the nature of affinity, in the marketing literature, Macchiette and Roy (1992, p.48) defined affinity as

“An individual’s level of cohesiveness, social bonding, identification and conformity to the norms and standards of a particular reference group”.

Laing et al. (2004) also found similar concepts as the one described above, which they grouped under three core categories: connecting (e.g. linkage, closeness and togetherness), communicating (e.g. identity and image) and contributing (e.g. donation, involvement and participation). And Oberecker et al. (2008) describes it as a feeling of liking, sympathy, and even attachment. In the psychology literature, Brewer and Gardner (1996) associated affinity with the concept of the ‘collective self’ as a level of self-representation. The above could be aligned with the concept of social identity in social identity theory (Hogg and Abrams, 1988) and self-categorisation theory (Turner et al., 1987). In the sociology literature, Vela-McConnell (1999) grouped affinity into three levels (i) a surface level which he termed ‘resemblance’ (denoting similarity, likeness, association and correspondence); (ii) a deeper level, termed ‘fondness’ (denoting bond or affection, attachment, liking, closeness and alliance); and (iii) a still deeper level, termed ‘kinship’ (denoting strong tie or union,

connection and deep relationship). Vela-McConnell also suggested that, generally, social affinity encompass the empathy and identification between individuals or groups.

From the various descriptions of affinity outlined, ‘key concepts’ of affinity that illustrate affinity relationships were drawn. From the summary of the key concepts illustrated in Table 2, one can see similarities as well as differences between the descriptions of affinity, sourced from three disciplines.

Table 2: Key Concepts of Affinity Relationship

MARKETING LITERATURE	PSYCHOLOGY LITERATURE	SOCIOLOGY LITERATURE
Cohesiveness Social bonding Identification and conformity (Macchiette and Roy, 1992)	Collective self (Brewer and Gardner, 1996)	<i>Surface level:</i> Similarity, likeness, association, correspondence <i>Deeper level (fondness):</i> Bond or affection, attachment, liking, closeness, alliance
Connecting Communicating Contributing (Laing et al., 2004)	Liking Feeling positive (Bell and Daly, 1984)	<i>Still deeper level (kinship):</i> Strong tie or union, connection Deep relationship (Vela-McConnell, 1999)
Liking, sympathy , attachment (Oberecker et al. 2008)	Self – categorisation (Turner et al. 1987)	

In general, it is these concepts of affinity relationship that affinity marketers leverage on when promoting their products through affinity marketing. Given that affinity relationships are expected to influence the development of affinity marketing, one would also expect them to influence the dissolution of the C-SP relationship

Knowledge of the strength of the affinity members or supporters have, contributes to our understanding of consumers’ decisions in relation to an affinity product or service. Yet, there

are few known studies on measuring or assessing affinity relationships. For example, Macchiette and Roy (1992) suggested that affinity strength is collectively determined by the level of members' participation within the affinity group (active or passive), length of time as members, social disclosure (indicated by the level of willingness to overtly reveal group membership to the public) and the level of social interaction among members. In the Sociology literature, Vela-McConnell (1999) used levels of involvement to assess the strength of affinity relationships. In his work he used four different levels of involvement: very active, active, passive, and none. The involvements outlined above ranged from a person being fully committed and active, to a person being completely uninvolved.

Related studies that explored affinity relationships, Laing et al., (2004) and Mekonnen et al. (2008), illustrated how the construction of affinity relationship varied from one type of affinity group to another. Mekonnen et al. (2008) showed that members or supporters from different types of groups exhibited varying degrees and types of commitment and attachment to the group. The above studies identified and used four items: communication, connecting, contribution and commitment as the main (but not exclusive) dimensions for affinity. These studies were based on affinity credit cards and explored affinity relationships in five affinity groups: professional, membership, lifestyle, charity and university. For example, there were variations in how the members or supporters rated the functional and the image-related benefits associated with the affinity cards. Each group is explained in detail in Section 2.4.2. Overall, the benefits profile drawn in Mekonnen et al.'s (2008) study clearly showed that the professional and the charity group differed the most. In the research conducted here, information on affinity groups' variation was useful when making comparisons between the

chosen groups and in explaining possible associations that emerged in the process of dissolution.

Considering affinity group memberships more generally, recently a 2010 survey of affinity groups and affinity group members revealed that, of all members that chose not to renew affinity group membership in 2010, 36% (over a third) chose not to renew because there was not enough perceived value in membership (www.marketinggeneral.com, 2010). This may have an adverse affect on affinity marketing.

Moving from affinity relationships to the broader topic of affinity marketing in general, one must also remember that customers who support the scheme often have multiple reasons for doing so. For instance, customers who subscribe to affinity products to extend their support to the group would normally also consider the core product's value, before committing to an affinity product. Therefore it was important to review the general literature on credit cards, the affinity product this study is based on, to be familiar with attributes that might influence C-SP relationship in the credit card market (Section 2.5.1). Furthermore, general assessment of the strength of a C-SP relationship was also explored (Section 2.5.2).

2.4.2 Affinity Group Categorisation

This sub-section reviews existing literature that addresses the categorisation of affinity groups. A key point that emerged from the review of affinity relationships in the previous sub-section was that there were different types of affinity groups exhibiting varying types of relationships. This is suggestive that each type of group is influenced by different sets of values which could potentially affect an individual's decision making process with regards to an affinity product

(including the dissolution). For this reason knowledge of how affinity groups are categorised and what generally features in each category was found useful.

Macchiette and Roy's (1992) classification of 'affinity groups' has been cited in several studies as a viable way of segmenting affinity groups (e.g., Horne et al. 2000; Swaminathan and Reddy 2000, Worthington and Horne 1995 -2001) These typology groups were based on the contents analysis of promotional materials for affinity credit cards and suggest five major sources of affinity group centeredness - *Professionally-based affinity*, *Socially-based affinity*, *Value-centred affinity groups*, *Demographic-based affinity groups*, and *Marketing generated groups* (Macchiette and Roy, 1992 p. 52-54) – Looking at each in detail:

- I. *Professionally-based affinity*: are groups such as lawyers, dentists and doctors where the association recognises professional status and provides career advancement opportunities for members. Members join the group, usually with a membership fee, to improve their status, network with other professionals, and generally heighten the visibility of their profession.
- II. *Socially-based affinity*: are groups where members share common interests, and hobbies. Examples of such groups include the Stamp Collectors Society, Cricket fans club and other socially-centred motives.
- III. *Value-centred affinity groups*: are those where members demonstrate both cause and commitment to advancing their mission. These groups can promote a wide array of causes including political parties, environmental groups and charities.
- IV. *Demographic-based affinity groups*: are those where members are linked according to demographic characteristics such as age, education (alumni associations), ethnicity, or region.

V. *Marketing generated groups*: This type of group can be rooted in any of the above categories. The distinction is that the affinity is conceived and generated by the affinity card issuer. For example, it could be influenced by a TV character such as Star-Trek or another example is the London Card.

Given the diversity of affinity groups, these categories are not mutually exclusive. Many groups could possibly bridge several categories. Exploring alternative classifications of affinity groups, in a more recent study of affinity marketing (Mintel 2004), nine categories were identified: *professional organisation; trade union; political party; university/ school organisation; fan club or interest group; motoring organisation / owners club; sporting club; cultural /historical group and charity groups*. Similarly, another example of classification is Datamonitor's (2002) market report relating to affinity marketing which categorised organisations participating in affinity marketing into seven affinity groups: *charities; educational institutions; interest and lifestyle groups; motor associations; trade unions and professionals; sport clubs and governmental associations*. In the three examples of classifications of affinity groups above, although the groups identified were similar to an extent, there are some differences between them. They use different boundaries and scope of enquiry which could lead to some confusion. Such variation makes it difficult to decide what criteria one should use when categorising affinity groups, to enable viable comparison. For example, Laing et. al. (2004) and Mekonnen et. al. (2008) study of affinity marketing used five affinity group classifications: *professional, membership, lifestyle, charity and membership*. These affinity groups were classifications used by the financial service organisation that participated in the two studies above. Specialist affinity card issuers including MBNA use similar classifications. MBNA is one of the leaders in the market and had adopted Macchiette and Roy's (1992) classification as a guide to group sources from

which various affinities may emerge. The charity and the professional groups chosen for this study were selected from the five groups used in Laing et. al. (2004) and Mekonnen et. al. (2008) study. The reasons being first, the five groups were adopted from the classification proposed by Macchiette and Roy (1992) were clearly explained and justified. Secondly, this classification was based on affinity credit cards, and thirdly it was widely cited as a means of grouping affinity organisations in reference to affinity marketing in most of the related academic literatures.

Although Macchiette and Roy (1992) have offered a classification of affinity groups, it was claimed that there was still a need for empirical research to develop better classifications of membership for affinity groups (Roy and Berger, 2005). Following this study, in their investigation of leveraging affiliations by marketing to and through associations (affinity groups), Roy and Berger (2007) suggested that association systems characteristics (namely *Centralisation*, *Formalisation* and *Hierarchical*) can predict affinity strength, which in turn can be used as the key dimension for distinguishing associations. In contrast to the previous studies that have suggested classifications based on the nature of the affinity relationship (Datamonitor, 2002; Macchiette and Roy, 1992; and Mintel 2004) this particular study used associations systems in combination with affinity strength to make distinction between associations. Roy and Berger's (2007) work does provide a new perspective for exploring affinity group classifications. However, since the study only explored the perspectives of associations' executives, the authors have pointed out that views of members might add significantly to one's understanding of measures like affinity strength. Moreover, the authors have also noted that members could not be expected to be knowledgeable about many of the phenomena being investigated (e.g., structural characteristics of the association

etc.). To complete this review, the next and final major section of this chapter discusses ‘credit cards and buyer-seller relationship.

2.5 Credit Cards and Buyer-Seller Relationship

A detailed review of credit cards is necessary to provide a foundation and to support the consideration given to the methodology.

Worthington (2001) identified affinity credit cards as a distinctive product within the whole range of plastic payments and card products. Thus knowledge of the history and economics of credit cards themselves as well as knowledge relating to the nature of the C-SP relationship in the credit card market is necessary. It is also useful in supporting our understanding of the concept of affinity cards and their role in the UK credit card market. To that end, this subsection starts off with a brief introduction and description of what a credit card generally entails. This is then followed by a general discussion of buyer-seller relationship, the type that one would also expect to find or be exhibited in the credit card market.

2.5.1 Credit card

Credit and debit cards, have become the dominant means of payment on Britain’s high streets as consumers increasingly use plastic cards as a convenient alternative to cash and paper cheques (Worthington 2001). By January 2004, there were approximately 1,800 different types of credit cards on issue in the UK. These include countless variations on the basic concept of revolving credit for individuals, including organisation-branded credit cards, corporate-user credit cards, store credit cards and so on. Some of these were differentiated by low interest rates, whilst others had user incentives, but by far the biggest group were affinity

credit cards. There were over 1,500 different affinity card designs, each individually based on the name of the affinity group that participates in the affinity marketing scheme (Mintel 2000).

The modern credit card was the successor of a variety of merchant credit schemes (www.creditcards.com). In the early 1900s, oil companies and department stores issued their own proprietary cards. Initially, the use of credit cards was restricted to the issuing retailer's outlet only. As time passed reciprocal agreements were reached between groups of retailers to enable the card to be used in each other's outlets. The first bank card, named "Charge-It" was introduced in 1946. By the late 1940s, a number of American banks were operating credit card schemes. In 1966, a national credit card system was formed when a group of credit-issuing banks joined together and created the Inter Bank Card Association (ICA), according to MasterCard. The ICA is now known as MasterCard Worldwide. Barclays Bank was the first British bank to launch a credit card, the Barclaycard, in 1966 (Mintel, 2005).

With regards to functionality, credit cards offer the cardholders instant access to a predetermined level of credit. The cardholder, then, has the choice of paying off the entire outstanding amount or taking credit at a monthly interest rate and subject to a specified minimum monthly repayment, paying off whatever proportion of the debt they wish. As noted by Worthington (2001), there are three sources of income for the card issuer. Firstly, those card holders who do take credit pay interest, either expressed as a monthly rate or an annual percentage rate (APR). Secondly, card issuers benefit from merchant's service charge (MSC) that the card acquirer bank levies on retailers who accept their cards. The third potential income stream for the card issuer comes from the annual fee, payable by the cardholder for the use of the card, however not all issuers charge an annual fee.

Traditionally, there have been more debit cards than credit cards in issue, as debit card ownership has less stringent requirements than credit card ownership. However, the numbers of credit cards in issue increased rapidly when competitive measures such as 0% balance transfer rates were introduced into the credit card market. The introduction of 0% balance transfer rates prompted a flurry of card switching activity as consumers sought to take advantage of these interest-free periods. However, many consumers opened up new accounts without closing the old ones, which effectively boosted the total number of credit cards in issue. The number of credit cards surpassed the number of debit cards in issue first in 2003 and this trend continued in 2004 (Mintel 2005). More recently British consumers have been cancelling their credit card, the total number of credit cards in circulation fell by 4% to 56 million between the period 2005-2010 (Euromonitor, 2010). However, transactions value increased, meaning that spend per card increased by 7% in 2010, together with the number of transactions per card, which saw an 8% increase. Furthermore the economic downturn helped to boost the performance of debit cards, but had a negative effect on credit cards (Euromonitor, 2010).

The retail banking market as a whole is characterised by increasing competition and by growing price sensitivity among customers (Datamonitor, 2002). Competition led to the design of the credit card itself becoming a major selling point (Mintel, 2004). This report suggests that the unique design may generate and / or encourage higher card usage. The value of the card to the issuer was often related to customers' usage of the card, or to the customers' financial worth.

Financial services vary in complexity and perceived risk. Bank accounts, saving accounts and credit cards are relatively simple services not incurring much risk and as such, can be categorised as a low risk product (Antonides and Raaij, 1998 and Datamonitor, 2002). The implication of this is that a customer's involvement and commitment with such product may be relatively less. This may have been a factor that further accommodated the surge of card switching activity mentioned earlier. The competitive nature of the credit card market coupled with the low risk associated with credit cards brings forth issues of how services in such an environment are assessed by customers. Hence, the next sub-section will introduce buyer-seller relationships and discuss how the strength of such relationships could be measured.

2.5.2 Buyer-Seller Relationships

When investigating affinity credit cards one has to also consider how customers generally relate to their service providers, therefore this sub-section focuses on how C-SP relationships are assessed. This entails examining how the C-SP relationship is assessed in relation to the service delivery and the core product.

The literature on affinity relationships, affinity marketing and affinity credit cards often refer to research on interpersonal or buyer-seller relationships to support their investigations. Since studies on interpersonal and buyer-seller relationships are relatively well established in the services marketing domain, they offer a wealth of general knowledge about relationships. For this reason, literature on buyer-seller relationships was reviewed.

Two studies related to relationship strength, Strandvik and Liljander (1994) study of relationship strength in bank services and Liljander and Strandvik (1995) study of the nature

of customers' relationship in services, were found informative in understanding how the strength of a relationship could be measured, particularly in relation to bank services.

Strandvik and Liljander (1994, p.2) described a relationship as consisting of a number of episodes. The authors argued that *"if the service is of a continuous type, a relation is established when the contract is signed (e.g. cable TV, subscription services, membership)"*.

Furthermore, Strandvik and Liljander (1994) explained that according to this definition of a relation, loyalty is always present and it can occur with three different types of commitment: positive, negative or no commitment. The authors also suggested that a relationship could also be characterised by some kind of 'bonds' between the customer and the firm. They described bonds as *"exit barriers that tie the customer to the service provider and maintain the relationship"* Strandvik and Liljander (1994, p.3). Further they added that these bonds could be: legal, economic, technological, geographical, time, knowledge, social, cultural, ideological and psychological bonds.

Considering the 'strength of a relationship', Strandvik and Liljander (1994) and Liljander and Strandvik (1995, p.151) argued that strength was a multidimensional measure consisting of relationship commitment and relationship loyalty. The authors defined loyalty as *"purchase behaviour"* and commitment as *"the parties' intentions to act and their attitude toward interacting with each other"*.

Features of relationship strength introduced in this sub-section informed the overall assessment, the development, and the dissolution of the C-SP relationship in the case of affinity marketing. In addition, any further knowledge about consumer behaviour which may affect consumers' decision making process could also provide a better understanding of

consumers' perspective on the process of dissolution. Therefore, consumer typologies are introduced next.

2.6 Consumer Typologies

This section discusses how consumer typologies are generally formed and reviews how typologies have been used in studies of dissolution. Consumer typologies are rooted in clinical psychology, with a view to developing “types” of consumer personalities (Barnes et al., 2007). A typology is a method of classifying consumers and or behaviours based on their similarity and often, typologies can provide an explanation and / or description of the cases being investigated (Hammersley and Atkinson, 2003).

Considering behaviour typologies, in a comprehensive work in understanding the consuming behaviour of individuals, Gabriel and Lang (1995) argued that describing individuals simply as consumers was over-used. Furthermore, the authors' analyses of contemporary consumerism suggest that consumerism is fragile and consumers are unpredictable. In addition, Gabriel and Lang (1995) offered eight types of contemporary consumers:

- 1) *'Chooser'* – a consumer that requires no self-appointed spokesperson to defend his or her interests.
- 2) *'Communicator'* – a consumer who uses objects as bridges to relate to fellow humans.
- 3) *'Explorer'* - a consumer who seeks or looks out for new experience and meaning.
- 4) *'Identity-Seeker'* - a consumer who tries to find a real self in the objects which he or she consumes.

5) '*Hedonist or Artist*' - a consumer who is more concerned with personal pleasure above all other pleasures.

6) '*Victim*' - a consumer who is easily manipulated and outwitted by organisations.

7) '*Rebel*' - a consumer who uses objects to express rejection or rage.

8) '*Activist and Citizen*' - a consumer who campaigns on behalf of collective rights.

Although the above have been described as discrete types of consumer, Gabriel and Lang (1995) explained that individuals could potentially be any or any combination of types. Even though typologies may be helpful in understanding consumer motivations and behaviours, Gabriel and Lang (1995) argued that consumers could sometimes be unmanageable, irrational, incoherent and inconsistent.

In the literature on dissolution, researchers have used typologies to understand different aspects of the process. For example, in a business-to-customer setting, types of dissolution based on who decided to end the relationship was suggested by Hocutt (1998), and types of dissolution with categories based on the length of time the dissolution took were developed by Roos and Strandvik (1996). Hocutt's (1998) and Roos and Strandvik's (1996) studies were discussed in detail in Section 2.2.3.1. Looking at examples from a business-to-business setting, a typology of communication strategies that describes buyer-seller relationship dissolution was developed by Alajoutsijarvi et. al. (2000), and a typology of dissolution categorised by exit strategy was proposed by Pressey and Mathews (2003). Given the focus of this study, the examples from the business-to-business setting have not been discussed in detail. Although all the examples above have approached and used typology of dissolution from different perspectives each demonstrate how typologies could be utilised to differentiate processes.

The literature on typology has shown that consumer typologies were useful in making sense of customers' behaviour. Given the complex nature of triadic relationship it is possible that behaviour typologies can emerge and this could potentially enhance understanding of how the process of dissolution precedes.

2.7 Chapter Summary

The objective of this chapter was three fold. Firstly, to provide an overview of existing knowledge on relationship ending, in particular on the process of C-SP relationship ending. This first major section on relationship dissolution (Section 2.2) explained the importance of understanding relationship dissolution and the growing academic and practitioner interest in getting a holistic picture of relationships. The second objective was, to provide a detailed explanation of what affinity marketing entailed. This was explained in Section 2 on the nature and formation of the triadic relationship. Finally the third objective was to introduce and discuss what affinity relationship represents and this was presented in Section 2.4. It was important to understand what affinity relationship represents in the individuals' lives since it is presumed to be a central element in foundation of affinity marketing (e.g. Macchiettee and Roy, 1992; Mintel, 2000; Worthington and Horne, 1996).

In addition, literature on credit cards, buyer seller relationships (Section 2.5) and consumer typologies (Section 2.6) were also reviewed. The review on credit cards was important in providing background and understanding of the product/ service that was being investigated in the context of affinity marketing. Knowledge of buyer-seller relationships and consumer

typologies helped to get a better understanding of how C-SP relationships were generally assessed.

The next chapter builds on the literature review by examining the possible phases in the process of C-SP relationship for the case of affinity marketing.

CHAPTER 3 CONCEPTUAL FRAMEWORK

3.1 Introduction

The objective of this chapter is to introduce the conceptual framework, which depicts issues that are central in researching the dissolution of the C-SP relationship in the case of affinity credit cards. “A conceptual framework explains, either graphically or in narrative form, the main things to be studied – the key factors, constructs or variables – and the presumed relationships among them” (Miles and Huberman, 1994, P.18). The framework, presented in Figure 4, was created as a customer-level framework and graphically illustrates the process of dissolution drawing on what a customer may experience. The framework shows the key variables and influencing factors, considered to be important in the process. Some of the variables and factors were identified from previous studies on relationship dissolution and affinity marketing, whilst others have been generated to address specific issues in the context of this study. Identifying factors to be considered as part of the explanation of the phenomena of interest, deciding how they are related, and knowing the underlying reasons that justify the selection of the factors and the proposed relationships are the essential ingredients of a simple theory (Whetten, 1989).

In building the conceptual framework, inspiration and general ideas on the possible phases of dissolution were drawn from three studies of relationship ending: the work on interpersonal relationship ending of Duck (1982), the research on business relationship ending of Halinen and Tähtinen (2002), and the investigation on customer service provider relationship dissolution of Hocutt (1998). These are reviewed in detail in Chapter 2. The conceptual framework here is not a replication of or mapped against any of the above studies. The main

lessons learnt from the above studies was that first, the process of dissolution progresses through different phases and second, there are key factors such as commitment (strength of the relationship), triggers, communication etc. that should be taken into consideration when creating the framework.

This study conceptualises that customers go through six broad phases. The first five phases demonstrate the C-SP relationship from its conception to its dissolution and the sixth phase is concerned with the aftermath of the dissolution. To understand the action(s) taken by the customers from the moment the C-SP relationship was threatened to the time it ended, it was necessary to consider the foundation of the C-SP relationship. Therefore, Phase one of the process represents the '*triadic relationship*', which depicts the formation of the relationships between the customer (C), the service provider (SP) and the affinity group (AG). In Phase two, the '*triggers of dissolution*', it was presumed that the process of dissolution begins when the C-SP relationship is threatened by possible triggers. Following the threat, Phase three, represents the '*mediating variables*' and explored possible action(s) customers may take when the C-SP relationship is in danger of breaking-up. Then in Phase four of the process, '*response to triggers*' it is assumed that the final decision regarding the continuity or ending of the C-SP relationship is reached. In Phase five, the '*identification of dissolution*', possible typologies of the processes of dissolution that may emerge are projected. Finally in Phase six, the '*aftermath*', the consequence of the whole process on the relationship between the customer and the affinity group is considered. Comprehensive discussions of the proposed associations in the framework and the six phases introduced above will follow in the subsequent sections (3.2-3.7). The focus of each section will be indicated by the shaded area of the conceptual framework at the beginning of each section.

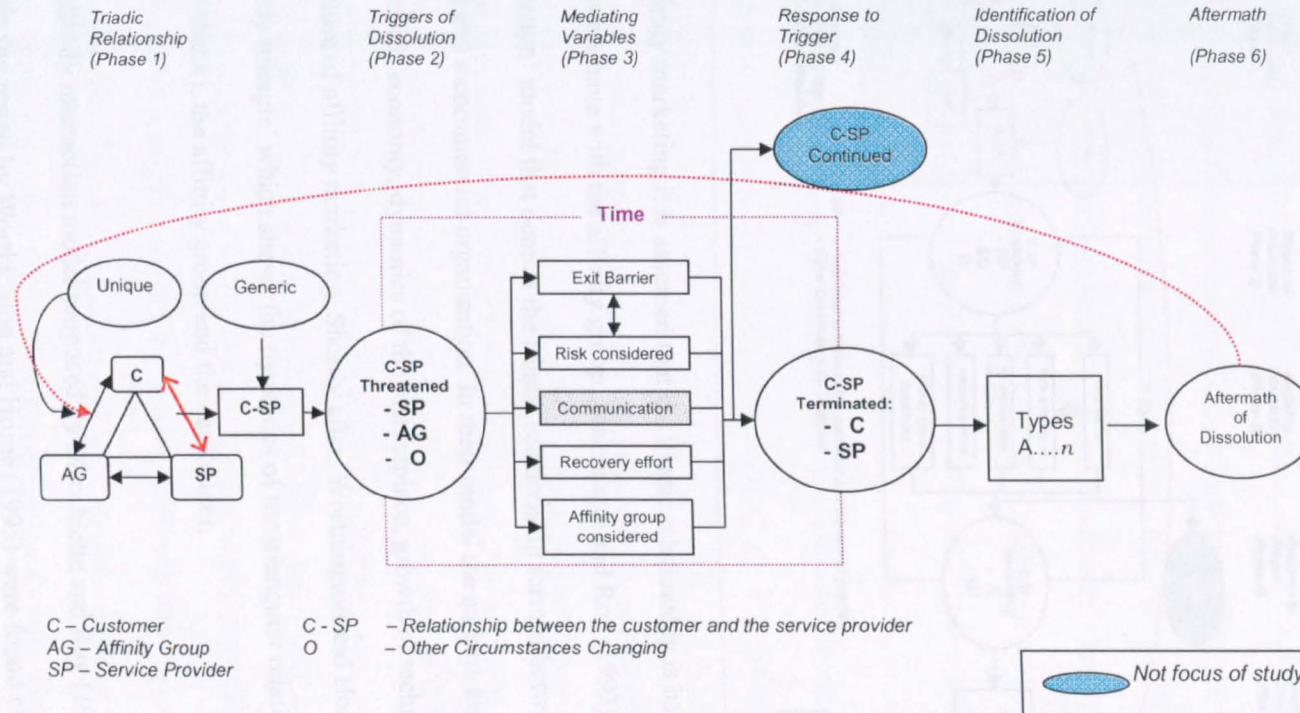
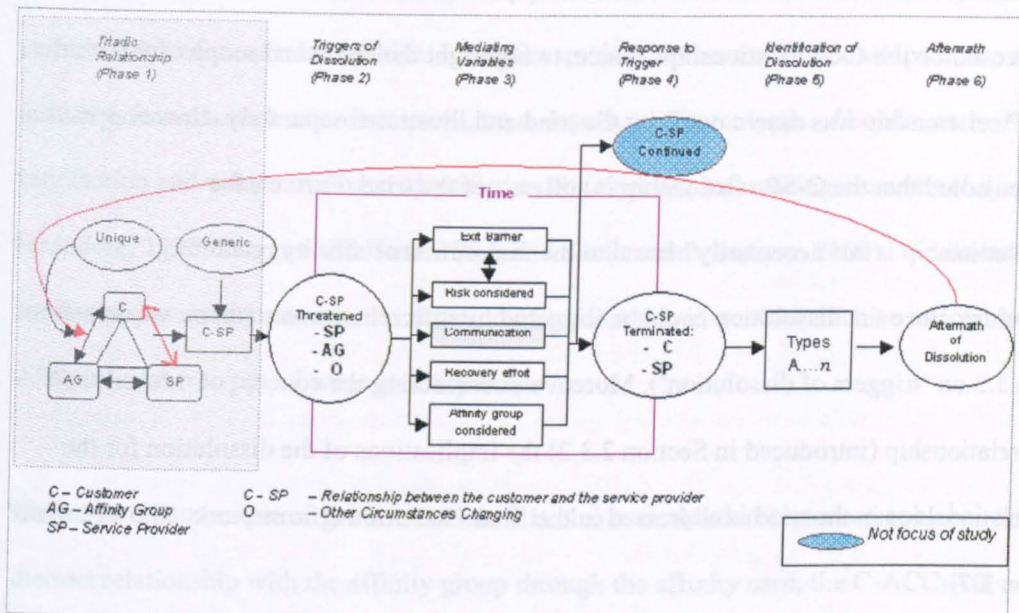


Figure 4: Conceptual Framework for Customer-Service Provider (C-SP) Relationship Dissolution

3.2 Phase One - Triadic Relationship: C-SP Relationship



In affinity marketing it is assumed that the triadic relationship is based on the relationship customers have with the affinity group. Macchiette and Roy (1992) introduced an 'affinity interaction' model that depicts the triadic relationship formed between a consumer, an affinity group and a commercial organisation. In their model the authors also showed various forces such as the economy, dynamics of the marketplace, growth of technology etc, that influence the future of affinity marketing. Shortly after, Worthington and Horne (1995) introduced the 'affinity triangle' which shows the dynamics of the triangular relationship between the card issuer (bank), the affinity group and the cardholder.

The affinity interaction model proposed by Macchiette and Roy (1992) and the affinity triangle suggested by Worthington and Horne (1995) were found effective in presenting a triadic relationship. Therefore, a similar idea was used to illustrate the relationships in the first phase of the conceptual framework. In the framework the connections between the customer,

the service provider and the affinity group, are shown using a triangle. Given the gap in understanding customers' attitudes towards affinity products (Section 2.3.1 and 2.3.3) this study focused on the C-SP relationship. Hence, to highlight the focus and scope of this study the C-SP relationship was drawn out from the triad and illustrated separately. However it should be noted that the C-SP relationship is still part of the triad. Further, the C-SP relationship is not necessarily central to the dissolution of affinity marketing relationships since the dissolution could be triggered by different sources (this is explained in Section 3.3 on 'triggers of dissolution'). Moreover, considering the concept of network in a triadic relationship (introduced in Section 2.3.2) the implications of the dissolution for the other relationships in the triad is addressed in the final Phase of the framework, 'the aftermath' (Section 3.7).

The framework illustrates the features that contribute to the development of C-SP relationships separated into two groups. The first group named '*unique*' represents features that influence the C-SP relationship indirectly. This influence was described as indirect because its impact was through the C-AG relationship. The unique category includes features of a relationship, which are more commonly found or are likely to be found in affinity marketing due to the nature and development of affinity relationships. For example, descriptions of affinity relationships such as social bonding, identification, association, liking, and connection (Bell and Daly, 1984; Macchiette and Roy, 1992; Laing et al., 2004; and Vela-McConnell, 1999) may be categorised as unique. For instance a person who was a member of an association which was linked to his or her profession may feel that he/she has a unique connection with the group since it represents part of his/her identity.

The second group, named '*generic*' represents features that influence the C-SP relationship directly and refers to the key features that contribute to the development, maintenance and enhancement of most relationships. In studies on development of relationships in the service industry, features such as commitment, trust, loyalty, different types of bonds, mutual satisfaction and value have been identified to be important influencing elements (Liljander and Strandvik, 1995; Morgan and Hunt, 1994; and Sheth and Parvatiyar, 2000). Additionally, attributes that are common in the adoption of credit cards in general, such as interest rates, APR, interest free period were also explored.

Linked to either unique or generic factors, it is also assumed that customers may have a distinct relationship with the affinity group through the affinity card, the C-ACC-AG relationship. For example, affinity cards can offer symbolic value to consumers and contribute to the expression of their identity (individual image – 'ego') and/ or an opportunity for consumers to project the image of the affinity group (group image – 'promotion') (Mekonnen et. al. 2008).

As well as distinguishing between the unique and the generic features that form the C-SP relationship one needs to be aware that each feature identified can exist at different levels. For instance, considering the bond between customers and service providers (e.g. legal, economic, technological, geographical, time, knowledge, social, cultural, ideological and psychological), each of these bonds can exist at different levels, that is at a higher or a lower level (Liljander and Strandvik, 1995). Furthermore, the authors suggest that the first five bonds (legal, economic, technological, geographical, and time) constitute effective exit barriers, which are contextual factors and cannot easily be influenced by the customer. For this

reason they propose that they are more likely to be perceived in a negative sense. The remaining five bonds (knowledge, social, cultural, ideological and psychological) they suggest represent more positive connotations for the consumer. They explained that these bonds are perceptual factors and it is the customer's perception of the existence and importance of such bonds that counts.

3.2.1 Strength of Relationship

Variations in the strength of the C-AG, the C-ACC-AG and the C-SP relationships were examined from the customers' perspective. Table 3 illustrates the classification for strength, ranging from very strong to none, that was generated to reflect the possible range of strengths that may be exhibited by the participants.

Table 3: Classification for Strength of Relationship

<i>Relationships</i>	<i>C-AG relationship</i>	<i>C-ACC-AG relationship</i>	<i>C-SP relationship</i>
<i>Strength of Relationship</i>	Very Strong Somewhat Strong Weak None		

In all the three relationships, customers expressed views or perception of the particular relationship and other indicators of strength appropriate to the relationship in question, which are discussed next in Sections 3.2.1.1-3.2.1.3, were used in the overall assessment of the strength.

3.2.1.1 Assessment of the Strength of the C-AG relationship

The strength of C-AG relationship was assessed through the examination of the type of relationship a participant had, the participant's expressed views of the relationship, the participant's level of affinity and the participant's level of involvement with the affinity group.

To start with, the type of relationship a participant has with the affinity group reflects the nature of the C-AG relationship. For example, a solicitor may be a member of the law society (affinity group) which oversees the practice. Usually being a member of such an association is mandatory for a solicitor to practice law. In contrast, a person may support the university he or she used to attend by choosing to be a member of the alumni group. Here, the connection with the affinity group is optional. Other characteristics can be noted from the participant's basic goal(s) and view(s) of the relationship, and the norms governing these relationships.

Next the participant's level of affinity was noted from the participant's response to the affinity dimensions scale in the questionnaire (Appendix 1, 'Registration form and Questionnaire', Q15). Laing et al. (2004) and Mekonnen et al. (2008) identified four constructs: communication, commitment, connection, and contribution as being the main (but not exclusive) dimensions of affinity. This was used in the latter study to assess one's level and nature of affinity. These dimensions were adopted for this study to create affinity statements (detailed in Chapter 4.5.3). A participant's level of agreement or disagreement with the statements was examined collectively to get an overall sense of how strong the individual's affinity was. In addition, since each statement relates to different dimensions of affinity (i.e. communication, connection, contribution and commitment), the results were also considered separately alongside the data from the interview. For example, the first statement which relates to communication, '*this group is an important reflection of who I am*', could indicate whether the individual considered image / identity to be important or not. Another example is the fourth statement, which relates to contribution, '*I take part in this group's activities on a*

regular basis', this statement could indicate an individual's level of involvement in ways other than through the affinity card.

In addition, Vela-McConnell's categorisation of involvement was found to be appropriate for assessing one's involvement relating to any type of affinity group. Vela-McConnell (1999) attempted to describe involvement with respect to social affinity using four categories:

- Very active - a highly active or involved person (fully committed)
- Active – a moderately active or involved person
- Passive – a person who acknowledges the importance of the affinity group but who is not involved, and
- None – a person who is not interested and/ or non-active

The above categorisations were used as a guide to explore and differentiate the levels of involvement the participants had with their affinity group.

Finally, the study also incorporated the idea that affinity strength can be collectively determined by the level of members' participation within the affinity group (active or passive); the length of time as members; social disclosure; and by the level of social interaction among members Macchiette and Roy (1992). It was noted that Macchiette and Roy's (1992) suggestion partly overlaps with Vela-McConnell's (1999) categorisations of involvement.

Considering the overall strength of the participants' C-AG relationship, for example, a participant that was actively involved with his/her group, spoke well of his/her group and was more in agreement with the affinity statements, could be assessed as having a very strong

C-AG relationship. However, it should be noted that since the interview was more detailed involving probing and clarification, the response collected from the interview was used as the main source of data and the response from the questionnaire was used as supporting evidence.

3.2.1.2 Assessment of the Strength of the C-ACC-AG relationship

The participant's expressed view of the relationship and the level of importance a participant attached to the group or individual benefits that the affinity credit card offered led assessment of the strength of the C-ACC-AG relationship. The examination of the affinity card benefits was guided by Laing et al.'s (2004) and Mekonnen et al.'s (2008) classification of affinity groups. The classifications in the above studies were based on the exploration of the nature of the relationship customers had through their affinity credit cards.

Mekonnen et al. (2008) suggested that the benefits underpinning affinity card value propositions for cardholders can be categorised along two dimensions. In the first dimension the focus is on *who benefits*, that is, whether the benefit outcome is focused on the group or the individual. Here the counterpart of financial return for the group (e.g. donation) is the financial advantage for the individual (e.g. preferential rate). In the second dimension, the focus is on the *type of benefit*, that is, whether the benefit outcome is functional (e.g. better performing product) or image (e.g. identity projection). Drawing these together, Mekonnen et al. (2008) identified four distinct categories of affinity product benefits: group-functional, individual-functional, group-image and individual-image. For example, if a participant felt that conveying one's identity was important and took out the affinity card mainly to symbolise his/her identity (individual-image), depending on the participant's expressed view of the C-ACC-AG relationship and the overall assessment, then it could be said that his or her C-ACC-AG relationship was very strong or somewhat strong. In contrast, if

a participant took out the affinity card mainly for its functional benefits, for example to transfer balance and considered this to be the most important feature of the card, then his/her C-ACC-AG relationship would be assessed as weak.

3.2.1.3 Assessment of the Strength of the C-SP relationship

Literature relating to the ‘strength of a relationship’ in bank services suggested that strength was a multidimensional measure consisting of relationship commitment and relationship loyalty (Liljander and Strandvik, 1995 and Strandvik and Liljander, 1994). Hence assessment of the strength of the C-SP relationship combined indicators of loyalty and commitment suggested by authors above as well as the customer’s expressed view of the relationship.

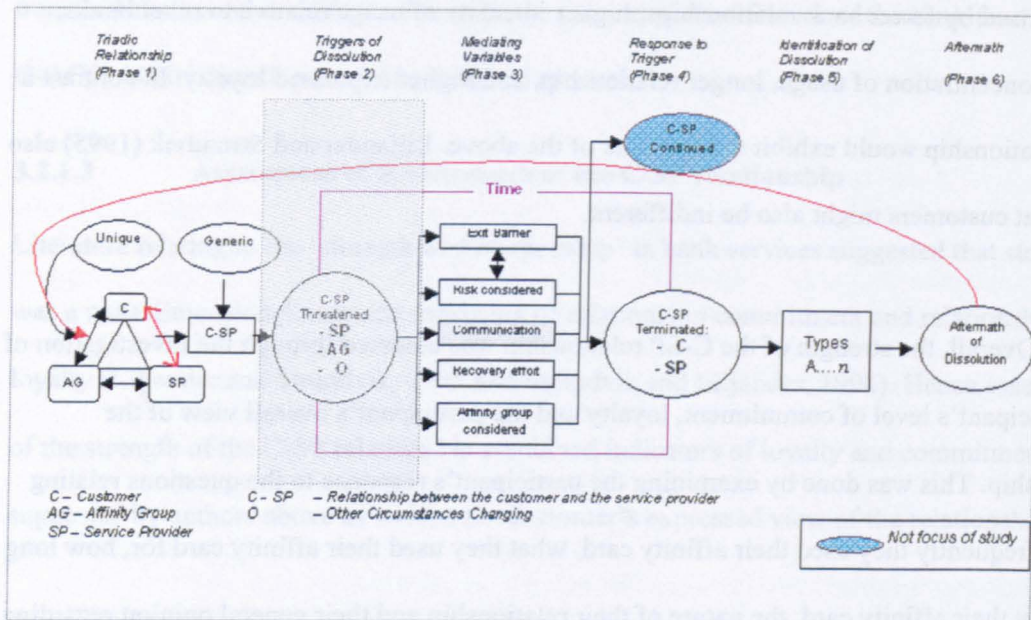
Liljander and Strandvik, 1995 defined commitment as the parties’ intentions to act and their attitude towards interacting with each other and suggested that the extent to which the customer favours a particular bank and spreads positive word of mouth could be used as an indicator of commitment. Therefore a strong commitment could be characterised by the customer showing an active interest in the company and speaking well of it, whilst a weak relationship commitment exists when the customer is disappointed and/or spreads negative word of mouth.

Loyalty has been defined in numerous different ways. In their study of the nature of customer relationships in services, Liljander and Strandvik (1995) defined loyalty as purchase behaviour and suggested that relationship loyalty can be measured by, for example, the number of bank relationships, intensity of usage, concentration of usage, length of relationship and expressed loyalty. The authors define ‘expressed loyalty’, as the customer’s own perceived and verbally

expressed loyalty. The authors explained that a strong relationship loyalty would be characterised by fewer bank relationships, higher intensity of usage relative to other banks, greater concentration of usage, longer relationship, and higher expressed loyalty. In contrast a weak relationship would exhibit the opposite of the above. Liljander and Strandvik (1995) also noted that customers might also be indifferent.

Overall, the strength of the C-SP relationship was assessed through the investigation of the participant's level of commitment, loyalty and the participant's overall view of the relationship. This was done by examining the participant's response to the questions relating to how frequently they used their affinity card, what they used their affinity card for, how long they kept their affinity card, the nature of their relationship and their general opinion regarding the service provider before and after the dissolution. For example, if a participant with a regular and an affinity card spoke well of the affinity card provider, had a long-term relationship with the card provider, indicated that he/she used the affinity card more frequently and put a lot of his or her expenses on the affinity card, then it could be assessed that this participant's commitment and loyalty was strong. Therefore the C-SP relationship was assessed to be very strong.

3.3 Phase Two - Triggers of Dissolution



In the service industry, triggers such as service failure, inconveniences, and variation seeking, have been identified as common causes for the ending of C-SP relationships (Antón et al., 2007; Colgate et al., 1996; Hocutt, 1998; Keaveny, 1995; Roos, 1999; and Stewart, 1998b). In this research, the reasons or antecedents leading to the dissolution are collectively referred to as ‘triggers of dissolution’ and distinction was made between the possible sources, these are: i) service provider related triggers ii) affinity group related triggers and iii) triggers resulting from customers or other circumstances changing. Grouping the triggers by their source may enable any patterns associated with the identified source(s) to be detected in the course of the investigation. Each of the above groups of triggers will now be discussed in more detail.

3.3.1 Service Provider Related Triggers

Service provider related triggers are mainly concerned with changes in various aspects of the service delivery or the core product. Furthermore, it could be related to the offerings of competing products threatening to end the C-SP relationship. For example, considering service

delivery, customers becoming dissatisfied with the service quality may form a negative opinion regarding the service provider, which may consequently trigger the process of dissolution. With triggers associated to the core product, a typical example can be a more competitive product enticing customers away from the existing service provider. Although it tends to be customers who instigate the ending of a relationship with service providers most of the time (Keaveney, 1995; Colgate, 2001; and Roos et al., 2004), this is not always the case. Service providers too might be in a position to end the C-SP relationship. For instance, in a situation where the customer has not used the affinity credit card for a long time, the service provider might initiate the ending of the C-SP relationship. In a different scenario, the ending of a particular scheme or affinity credit card provision agreement between the affinity group and the service provider may force the service provider to end the C-SP relationship for that particular scheme.

3.3.2 Affinity Group Related Triggers

Changes occurring in a single dyad may have a wider impact on the network (Ford et al., 1998 and Harrison, 2001). Hence there is the possibility of such change leading to multiple relationship dissolution (Harrison, 2001). Here, one could equally argue that given the interconnections that are present in a triadic relationship, changes between the customer and the affinity group or changes between the service provider and the affinity group could trigger the process of C-SP relationship dissolution.

In the context of this study, affinity group related triggers are threats instigated by changes in the relationship between the affinity group and the customer, or between the affinity group and the service provider. Such change could include restructuring of the management or

amendments to the policy governing the group. Customers opposed to the changes implemented might consider ending their relationship with the service provider, to withdraw any further support to the group.

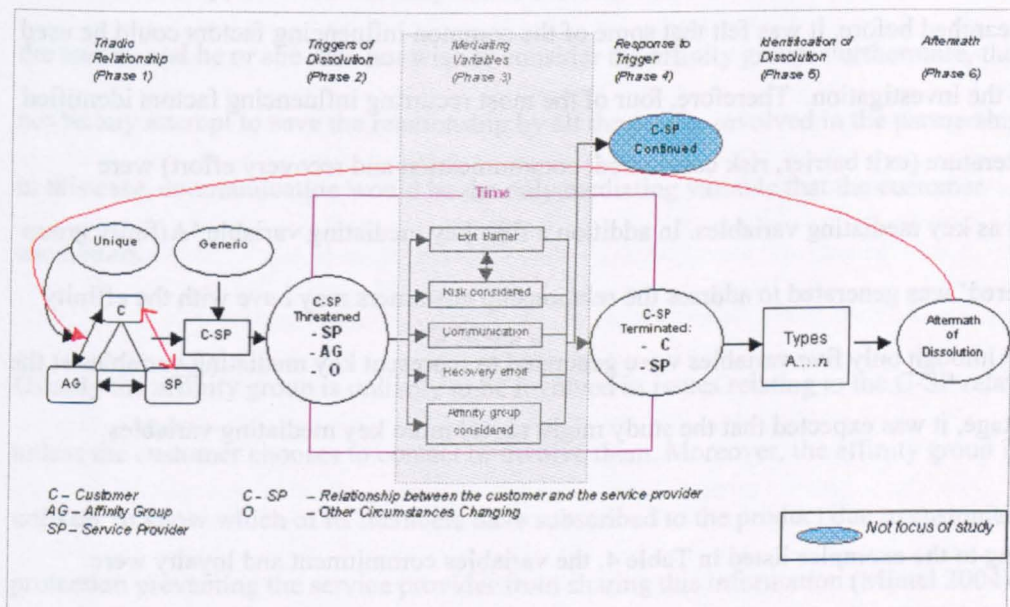
3.3.3 Other or Personal Circumstances Changing

Most of the literature on relationship dissolution, in the service industry, focused on service provider related causes leading to the break up of the C-SP relationships. However, diverging from this, it has been pointed out that relationships could end due to pressure from sources outside the relationship in question (Hocutt, 1998). With such a possibility, acknowledging that *other circumstances changing* can be important source(s) of trigger, it has been included as one of the categories under source of trigger. For example, change in one's financial circumstances may lead to the person feeling pressurised to end his/her C-SP relationship. In another example, where a person no longer requires the use of a credit card he/she may feel that it is necessary to terminate his/her dormant credit card for security reasons. In the examples above, the triggers are not necessarily directly related to the service provider or the affinity group.

Another less frequently occurring scenario (Intel, 2004) which was included under this category is the break-up of the relationship between the service provider and the affinity group. Such a break-up is not a common occurrence, since generally affinity credit card issuers and the affinity group have a fixed period renewable contract ranging from five to ten years, although there may be some exceptions to the norm (Worthington, 1997). Since either the service provider or the affinity group could instigate such a trigger it could be considered as 'other' circumstance changing.

This study anticipated that, the nature of the trigger was likely to determine the action(s) that follow in the next Phase of the process of dissolution, which is represented by the mediating variables. Moreover, it was also supposed that the level of importance placed on the trigger contributes to the action(s) taken by the customers and subsequently their responses to the trigger.

3.4 Phase Three - Mediating Variables



The literature showed that the dissolution process of the C-SP relationship could be investigated by examining various factors that may influence the process. Examples of key influencing factors identified from the review are listed in Table 4. In the context of this investigation the term mediating variable is used to represent possible action(s) customers may take when the C-SP relationship is in danger of breaking-up.

Table 4: Examples of Key Factors that could Influence the Process of Dissolution

Key Factors	Reference (The list below are examples and not exclusive)
1. Communication	-Alajoutsijarvi et al., 2000 and Hirschman, 1970
2. Commitment	-Hocutt, 1998
3. Loyalty	-Hirschman, 1970 and Stewart, 1998b
4. Risk	-Colgate and Lang, 2001; Keaveney and Parthasarathy, 2001 and Murray, 1991
5. Alternative Attractiveness and Switching Cost	-Ping, 1999 and Stewart, 1998a
6. Exit Barriers	-Colgate and Lang, 2001 and Roos et al., 2004
7. Recovery	-Hirschman, 1970 and Johnston, 1995

Given that this study sought to understand the process of dissolution in a context that has not been researched before, it was felt that some of the common influencing factors could be used to guide the investigation. Therefore, four of the most recurring influencing factors identified in the literature (exit barrier, risk considered, communication and recovery effort) were selected as key mediating variables. In addition a fifth key mediating variable ‘Affinity group Considered’ was generated to address the relationship customers may have with the affinity group. Although only five variables were generated to represent key mediating variables at the initial stage, it was expected that the study might reveal more key mediating variables.

Referring to the examples listed in Table 4, the variables commitment and loyalty were investigated in relation to the C-SP relationship (to assess the strength) at the beginning of the process (Phase one – Section 3.2.1.3), then any changes were followed through throughout the process. The other two key factors listed in Table 4, ‘alternative attractiveness’ and ‘switching cost’, were investigated in relation to triggers of dissolution, in Phase two of the process.

The mediating variables illustrated in the framework are not presented in any particular order since the customer may have encountered one or more of these variables more than once.

Furthermore, these variables may be inter-linked depending on the action(s) the customer, the service provider or the affinity group takes. For instance, where the recovery effort is determined by the communication between the customer and the service provider, it may be said that the two variables are inter-linked. It was anticipated that the findings would further clarify possible connections between the variables.

Considering a different scenario, in an extreme case where a customer is intent on ending the C-SP relationship, the customer may assess that there are no risks, no exit barriers deterring the ending and he or she may not wish to consider the affinity group. Furthermore, there may not be any attempt to save the relationship by all the parties involved in the partnership. Then, in this case, communication would be the only mediating variable that the customer encounters.

Usually the affinity group is unlikely to be involved in issues relating to the C-SP relationship unless the customer chooses to contact or involve them. Moreover, the affinity group is unlikely to know which of its members have subscribed to the product due to customer data protection preventing the service provider from sharing this information (Intel 2004). In the sections that follow, the source of and the rationale behind using each of the five mediating variables included are discussed in detail.

3.4.1 Exit Barriers

In the context of this study, exit barrier represents factors or issues that might discourage the customer from ending his / her relationship with the service provider. Exit barriers have been shown to have an impact on the process of relationship ending in several studies. Work on

switching services by Colgate and Lang (2001) and Roos et al., (2004) have illustrated that switching cost, apathy, relationship investment and negative consequence could be barriers to exit. Similarly Hocutt (1998) has shown that levels of commitment by all partners in the relationship can be a barrier to the customer's intentions to end the relationship. In this study, this may include the customer's commitment to the affinity group and /or the service provider. Another example is communication, which has also been shown to influence relationship ending decisions (Stewart 1998a, 1998b and Hirschman 1970). In relation to the bonds that exist between customers and service providers Liljander and Strandvik (1995) have suggested that legal, economic, technological, geographical and time bonds are likely to be perceived in a negative sense as they may act as effective exit barriers. Finally, other barriers identified in the literature included service quality, administrative costs, availability of alternatives and service recovery (Colgate and Lang, 2001; Hocutt, 1998 and Roos et al., 2004). Examples from the literature gave useful indications as to what customers might consider in the case of affinity marketing.

Exit barriers could differ in nature, thus for this research the exit barriers reported were classified into two groups: 'personal' and 'functional'. Personal exit barriers refer to issues related to psychological and social factors such as loyalty, status and emotion, whilst functional exit barriers are associated with the core service or product. An example of a personal barrier would be a customer who has been in a long-term relationship being tempted to try a new service provider, but deciding against it because of the attachment or high level of commitment that has already been established with his/her existing service provider. In contrast, an example of a functional exit barrier would be administration-related cost such as the cost of transferring an outstanding balance on a credit card to a new service provider.

3.4.2 Risk Considered

Colgate and Lang (2001) and Murray (1991) highlighted the importance of perceived risk in influencing customers' decision making process, whilst Keaveney and Parthasarathy (2001) investigated the switching behaviour of customers relative to propensity for risk taking behaviour. The concept of risk or perceived risk is defined as follows:

“The consumer's perception of the uncertainty and adverse consequences of buying a product [or service]”
(Murray, 1991)

Murray conceptualised perceived risk as the likelihood of negative consequences associated with buying a product (or service). He suggested that perceived risk represented the consumer's uncertainty about loss or gain in a particular transaction. He proposed that perceived risk could be represented by six components: financial, performance, social, psychological, safety, and time or convenience loss. Given that this study also considered cases where the C-SP relationship ended and the customer did not necessarily subscribe to another service provider, Murray's definition may be limiting. Nonetheless, considering the competitive nature of the credit card market it was anticipated that the majority of the participants may switch service provider. Thus, Murray's conceptualisation of risk is informative in providing a possible explanation for the risk some of the participants may experience during the process of dissolution.

Although Murray mentioned 'social' and 'psychological' risks in association to buying a product or a service, one could also possibly view these risks in relation to losing part of a relationship that one may have with an affinity group. For example, a person may feel guilt or disappointment (psychological risks) if he/she stops their support to the affinity group via the affinity card.

Overall the mediating variable ‘risk considered’ was included to highlight the uncertainty or dilemma customers may experience. The customer’s experience explored here was inclusive of situations where the customer intended to switch service provider as well as in situations where switching was not intended, or did it follow. In such a case the customer may have ended the C-SP relationship for other reasons, such as personal circumstances changing. Furthermore, whether the six components of perceived risk identified by Murray (1991), would be applicable to this study was highly contextual with possible variations from one case to another.

In the literature, some similarities were noted between the variables risk and exit barrier. For instance, time, monetary and psychological switching costs were noted as exit barriers to ending relationships (Ross and Strandvik, 1995 and Hocutt, 1998) as well as being noted as risks (Colgate and Lang, 2001; Murray, 1991 and Keaveney and Parthasarathy, 2001). Such rationalisation might make the distinction between the two unclear. For this reason it was decided that initially both would be included in the framework as separate variables. The presence of these similarities is indicated in the framework (Figure 4) by using an arrow to link the two variables. Another reason for presenting these variables as separate entities was with the view that the analysis of the data gathered from this study would reveal either a clear distinction between the two or confirm the similarities between them. Similar to the discussion of exit barriers, the risks associated with ending the C-SP relationship can be classified as functional or personal. Personal risk could be related to issues associated with psychological and social factors such as loyalty, status and emotion, whilst the functional risk could be associated with the core service or product.

3.4.3 Communication

Most of the literatures on process of dissolution identified communication as an important influencing factor in the process and thus an integral part in investigating relationship ending. Therefore communication was included as one of the key mediating variable.

Past studies on dissolution have utilised *communication in different ways*. For example, Baxter (1985) explored communication and developed a typology of communication strategies in personal relationships, which derive from direct and indirect strategies for ending relationships. Building on Baxter's work, and by combining it with Hirschman's 'exit and voice' suggestions relating to the 'exit, voice and loyalty' (EVL) framework (used to analyse responses to dissatisfaction), Alajoutsijarvi et al. (2000), used the notion of direct and indirect strategies in a buyer-seller relationship context. Alajoutsijarvi et al.'s (2000) study of business to business relationship dissolution identified four different exit strategies, two indirect (disguised and silent exit) and two direct (communicated and revocable exit). The authors argued that the typology was valid for analysing the dyadic communication strategies in the dissolution of business processes. In another example, in an attempt to classify responses to dissatisfying personal relationships, Hirschman (1970) suggested that individuals could exit the relationship, voice their concern or remain loyal. His work was later developed in a marketing context by Stewart (1998a) who used communication to explain possible responses to consumer dissatisfaction. Stewart explained that the ending of the C-SP relationship was not a casual process because, following a problem (dissatisfaction) the customer usually engages in efforts – for example, contacting the service provider by telephone or in person for an explanation or a resolution - to have the problem resolved.

The examples above have shown that communication can be used in different ways to explain the whole or part of a dissolution process. Therefore it was anticipated that communication would have a crucial part in determining how the process of dissolution may proceed. For this reason it was included in as one of the mediating variables. In the context of this study communication was used to describe any form of interaction that might take place between customers, service providers and affinity groups during the process of dissolution.

The purpose of the variable ‘communication’ in this section should not to be confused with the example of communication as a barrier to exit in the previous Section (3.4.2), nor with the discussion of communication as means of recovery, in the Section (3.4.4) that follows. This multiple occurrence of the variable in different phases of the process of dissolution shows the complexity of the process and it was also an indication of how these mediating variables may be inter-linked. The role of communication as a mediating variable was to demonstrate the nature and type of interaction between the participants during the process of dissolution. In view of the nature of the triadic relationship assumed in affinity marketing (mutual benefit and exchange), three possible forms of communications were anticipated, these are:

- 1) *Customer to service provider* – The customer may communicate with the service provider to either: a) cancel the affinity card or b) discuss event(s) leading to dissolution and possibly to try to resolve problems associated with the affinity card, before considering ending the C-SP relationship.
- 2) *Customer to affinity group* – The customer may communicate with the affinity group regarding the affinity card scheme or other matters related to the ending of the affinity card.

3) Service provider to customer – The service provider may communicate with the customer to try to retain the customer, and/or to assess potential requirement of the service for the future, if the card has not been used for a long period.

It was also anticipated that the communication(s) experienced by the participants would differ in their nature and outcome. For example, a participant may have felt some emotion, got some satisfaction or dissatisfaction out of the communication.

In the context of this research, unlike the other four mediating variables, communication was considered to be essential to the process of dissolution. The reason for this is the assumption that, at minimum, the ending of the C-SP relationship has to be finalised through some form of communication, be it verbal or written.

3.4.4 Recovery Effort

Recovery effort was added as one of the mediating variables to examine the effect it might have on the process of dissolution. Assessment of recovery effort could be undertaken by examining the effort(s) made by either the customer or the service provider, during the process.

Literature has indicated that recovery effort could have an influence on the process of relationship ending. For example, in her model of business relationship ending process, Thätinen (2002) used a consideration stage to show actors' (business partners) decision-making behaviour evolving around the question of continuing or ending the relationship. In Hirschman's (1970) investigation of exit, voice and loyalty, 'voice' was one of the central

points of the discussion and it was used to describe the recuperation mechanism or action taken by partners in an attempt to change rather than to exit a relationship. In addition, in his work on service failure and recovery, Johnston (1995) identified key activities, which are required in the process of recovery. The author highlighted recovery activities such as information provision to the customer, involving the customer in the decision making and the service providers putting themselves forward to solve the problem.

The studies by Thätinen, (2002), Hirschman (1970) and Johnston (1995) all highlighted the efforts of those involved in stopping the relationship from ending. Although these studies differ in their approach, focus and context all these studies showed that recovery effort can influence the process of dissolution. For example, Thätinen (2002) used the term ‘consideration stage’, Hirschman (1970) used the term ‘voice’ and Johnston (1995) used the term ‘recovery’ to reflect communication.

This study also considered the possibility of the affinity group getting involved in the recovery effort. However, since this research was from the customer’s perspective, only involvement instigated by the customer and /or reported by the customer could be explored.

To sum up, the customer’s views on recovery effort were examined from two angles. Firstly, recovery effort was used to show the effort(s) the participant made to keep the affinity card in order to maintain the relationship he/she had with the service provider and/or the affinity group. In this case, depending on the trigger(s) of dissolution the customer might or might not choose to involve the affinity group. Secondly, recovery effort was used to show the

participant's perception of any action(s) the service providers might have taken in an effort to retain the customer.

3.4.5 Affinity Group Considered

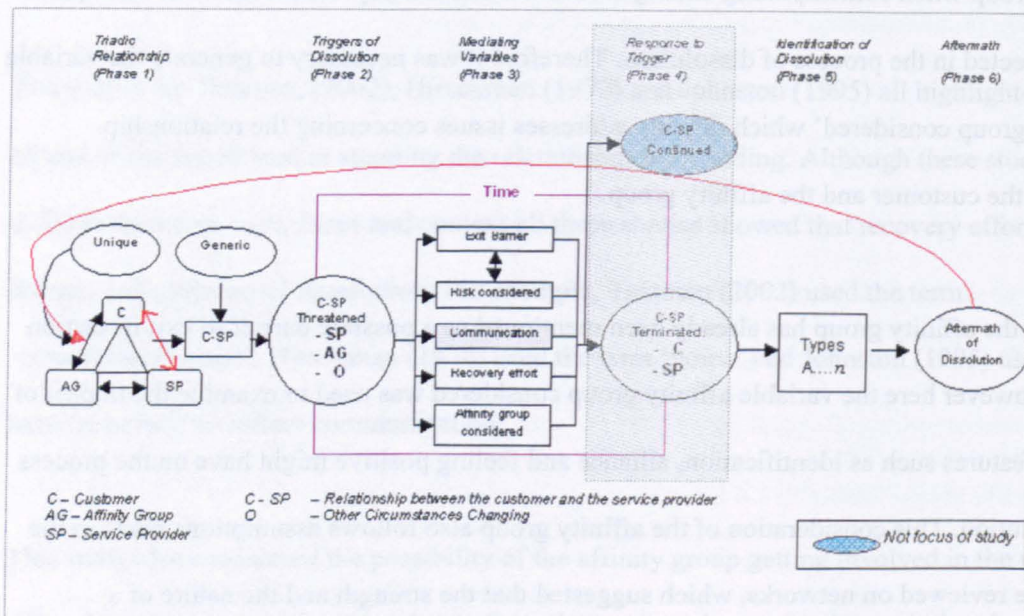
Given that affinity marketing is leveraged upon the affinity that customers may have with the affinity group (Worthington, 2001) it was logical to expect the customers to consider the affinity group when contemplating ending their C-SP relationship. Hence this was anticipated to be reflected in the process of dissolution. Therefore it was necessary to generate the variable 'affinity group considered' which directly addresses issues concerning the relationship between the customer and the affinity group.

Tie with the affinity group has already been mentioned as a possible barrier to exit in section 3.4.1. However here the variable affinity group considered was used to examine the impact of unique features such as identification, alliance and feeling positive might have on the process of dissolution. This consideration of the affinity group also follows assumptions made in the literature reviewed on networks, which suggested that the strength and the nature of a relationship in a single dyad may have wider impact on the network. Therefore in a triadic relationship, for example, if there was a problem in the C-SP relationship, it is possible that other partnerships linked to it such as the C-AG relationship might be affected too. Similarly, the reverse too could be true here, that is the C-AG relationship affecting the C-SP relationship.

Ultimately the importance and the role that each mediating variable has were expected to be determined by a combination of different issues, such as the nature of the affinity

relationship (Phase one) and by the trigger(s) of dissolution (Phase two). What is more, it was anticipated that the research would elucidate any interconnection that may exist between the mediating variables and uncover any new emerging mediating variables specific to the case of affinity marketing.

3.5 Phase Four - Response to Trigger and the Duration of the Process of Dissolution



Having gone through one or more of the mediating variables (exit barrier, risk considered, communication, recovery effort, and affinity group considered) the C-SP relationship was expected to either continue or end. Since the continued C-SP relationship was not the focus of this study this is illustrated as a shaded unit (Figure 4). The variable ‘time’ was used to investigate any association between the dissolution process and the duration of the process.

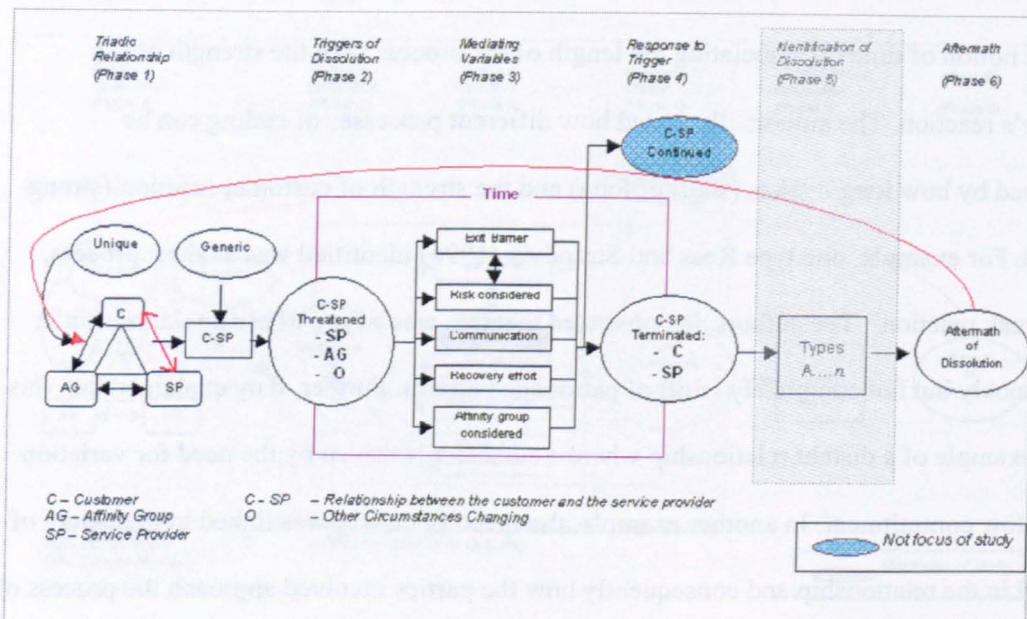
The length of time it took was noted from the moment that the C-SP relationship was threatened to the moment that the dissolution becomes absolute. Considering that ‘time’ encompasses different phases in the process, it is illustrated in a capsule that incorporates –

‘triggers’, ‘mediating variables’ and ‘response to trigger’ (Phases two – four). Moreover, exploring the time the process took could add a further point of comparison of the processes between different affinity groups.

The literature indicated that examining time might bring about noteworthy findings. For example, Ross and Strandvik (1996) demonstrated how the ending process could be depicted using the notion of time by associating the length of the process with the strength of the customer’s reaction. The authors illustrated how different processes of ending can be categorised by how long it takes (short or long) and the strength of customer reaction (strong or weak). For example, one type Ross and Strandvik (1996) identified was a ‘short process, with a weak reaction’. The authors demonstrated that this was a type where a relationship is ended quickly but not completely (shift of patronage pattern). Further, they explained that this was an example of a distant relationship where a customer is driven by the need for variation and has low commitment. In another example, the speed of ending was linked to the nature of the bond in the relationship and consequently how the parties involved approach the process of dissolution (Pressey and Mathews, 2003). Here, the authors offer explanations as to why and how the speed of relationship ending varied depending on whether the ending was a joint decision, customer de-selection, supplier de-selection or simply fading away. This resulted in dissolution being categorised in one of the four groups: voluntary dissolution (bilateral agreement to end relationship), unilateral involuntary dissolution (ending of relationship by either the buyer (customer de-selection) or the supplier (supplier de-selection)) and bilateral involuntary dissolution (a fading away of the relationship).

The time the process of dissolution takes depends on the nature of the bonds between the parties involved (Roos and Strandvik, 1996), and on the reason(s) for ending the relationship. This will subsequently influence the role of the mediating variables and determine the time it takes for the C-SP relationship to end.

3.6 Phase Five – Identification of Dissolution



The typology anticipated in the conceptual framework was intended to relate to the processes of the C-SP relationship dissolution in the context of affinity credit cards. A typology is a method of classifying consumers and/or behaviours based on their similarity (Bailey, 1994). Typologies provide an explanation and/or description of the cases being investigated (Hammersley and Atkinson, 2003) and are a helpful way to make sense of complexity by illustrating aspects of shared scenarios or plots (Miles and Huberman, 1994).

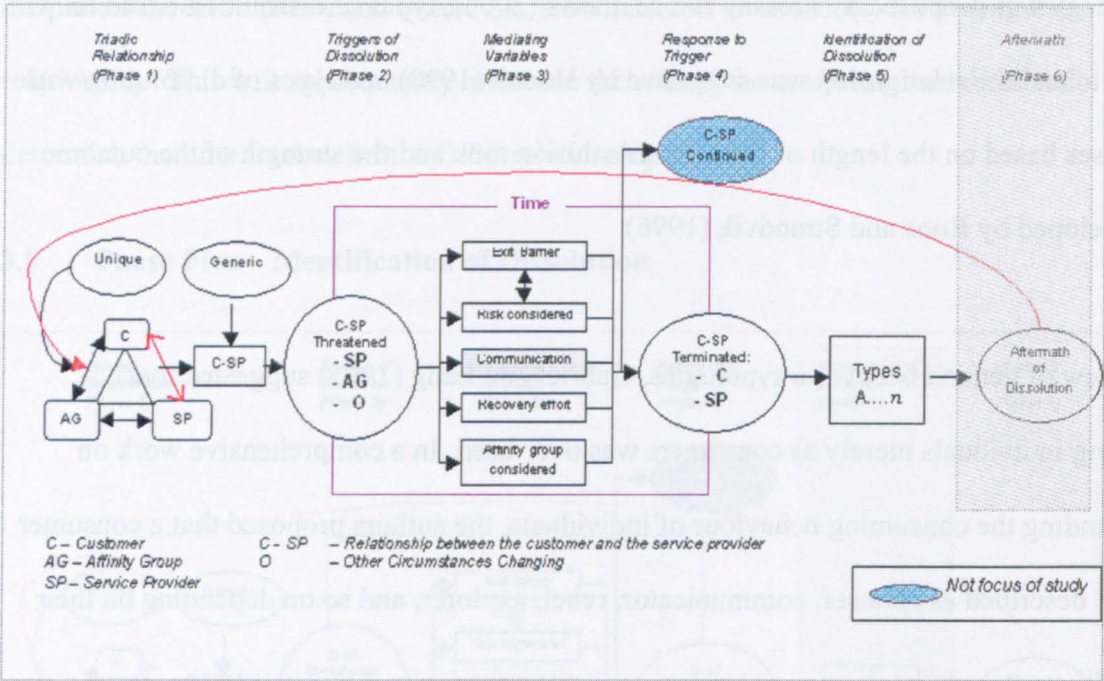
The literatures have shown varying typologies being used to represent relationship ending. For example, a typology of communication strategies was developed to describe buyer-seller

relationship dissolution (Alajoutsijarvi et al., 2000); a typology of dissolution categorised by exit strategy was proposed by Pressey and Mathews (2003); types of dissolution based on who decided to end the relationship was suggested by Hocutt (1998) and types of dissolution with categorises based on the length of time the dissolution took and the strength of the outcome was developed by Roos and Strandvik (1996).

In a review of general behaviour typologies, Gabriel and Lang (1995) suggested that describing individuals merely as consumers was over-used. In a comprehensive work on understanding the consuming behaviour of individuals, the authors proposed that a consumer could be described as chooser, communicator, rebel, explorer, and so on depending on their behaviour.

It was anticipated that this investigation might elucidate patterns that could be used to illustrate and categorise the dissolution of the C-SP relationship, and to allow for typologies to be generated. The types in the conceptual framework were presented as types 'A...n'. It was anticipated that the types *A...n* would be identified appropriately to reflect possible types of dissolution that the data/analysis might reveal.

3.7 Phase Six – Aftermath



A final phase of the conceptualisation, described as ‘aftermath’ was added to the conceptual framework. The aftermath is intended to show the behavioural intentions or actions that a customer might take as a consequence of the C-SP relationship ending. Theorists who modelled relationship dissolution suggested that there was at least one, or even two post-dissolution phases, these phases being the ‘aftermath’ and the ‘restoring’ phases (Tähtinen and Halinen-Kaila, 1997; and Tähtinen, 1998). Later Tähtinen (2002) offered a six stage model with a sense-making and an aftermath stage as the final stages of the process. However, Tähtinen (2002) made a distinction between the two, by showing how sense-making that continues after the relationship has ended turns into an aftermath.

On the whole, the literature relating to post-dissolution suggests that knowledge of aftermath makes it possible for a researcher to gain a holistic understanding of the full process. Hence it was felt that this study too could also benefit from an investigation of the aftermath. In this

final phase, the conceptualisation moves beyond the process of dissolution to depict what may happen after the C-SP relationship has ended. The interest here was to understand any change in the customer's perception, with respect to the affinity group and the role that the affinity credit card had. The dissolution might have a positive, a negative or no impact on the customer.

3.8 Chapter Summary

This chapter has introduced the conceptual framework and described and justified the variables used in developing it. The conceptual framework has laid out a possible set of phases that customers may follow in the process of ending their relationship with the service provider. This conceptual framework was central in the design of the methodology. It was used to design the interview guide for data collection and to flag possible inter-relationships that should be examined at the analysis stage. The next chapter details the methodology used.

CHAPTER 4 METHODOLOGY

4.1 Introduction and Overview of Research Procedures

This chapter justifies and describes the research methods used to investigate the process of customer-service provider (C-SP) relationship dissolution in the case of affinity marketing. Primarily the conceptual framework formulated in Chapter 3 was used to guide the methodology.

Based on the triadic relationship between the affinity groups, the customers and the service providers, three objectives were set: (i) to understand the process of C-SP relationship dissolution in the context of affinity marketing; (ii) to understand the mediating role of the affinity groups in the dissolution of the C-SP relationship; and (iii) to understand how the dissolution of the C-SP relationship affected the customer-affinity group (C-AG) relationship. To that end, the investigation followed the research procedures outlined in Table 5 overleaf. These procedures comprise different stages of research design starting from determining the focus of the study right through to analysing and presenting the data. For clarity, Table 5 also shows the corresponding sections in which each stage of the research procedure is discussed.

Table 5: Research Procedures

Stages of Research		Detail of Procedure
1	Establish the focus for the investigation (Chapters 2 and 3)	Literature reviewed and conceptual framework formulated
2	Determine an appropriate research paradigm for the research focus (Section 4.2)	Compared two main research paradigms and selected the one which was most appropriate to guide the study
3	Determine where, from whom, and how data will be collected and analysed (Sections 4.3, 4.4, 4.5, and 4.7)	Chose location of study; selected affinity groups; set sampling criteria; decided on method(s) for data collection and techniques for data analysis
4	Pilot Study (Section 4.6)	Conducted pilot interviews, assessed data and reflected on method chosen for data collection and analysis
5	Data Collection (Sections 4.4 and 4.7)	Conducted in-depth interviews
6	Data Analysis (Section 4.8 and Chapters 5 to 7)	Organised, coded, analysed and presented data
7	Plan the techniques that will be used to determine validity and reliability, draw out the limitations of the study (Sections 4.9, 4.10 and 9.3)	Reflected on validity and reliability of findings and limitations of methods
8	Revise framework and conclude study (Chapters 8 and 9)	Revised conceptual framework. Identified contributions, limitations, implications and suggested direction for future research.

4.2 Research Philosophies

Within the social sciences, there are two main research philosophies, the positivist and the interpretive approach (Carson, 2001 and Hussey and Hussey, 1997). Although a brief comparison of these two research philosophies is described next for completeness, this thesis was fundamentally based on an interpretivist approach. An interpretivist approach follows a belief system structured on exploring through immersion, understanding and interpretation. Thus, given the investigative nature of this research the interpretivist approach was found to be appropriate for investigating the process of dissolution.

4.2.1 Comparison of the Positivist and Interpretivist Approaches

The positivist paradigm originates from natural science methods and has influenced the development of the social sciences from mid 18th century to the present (Smith, 1998). The positivist approach seeks the facts or causes of social phenomena, using logical reasoning.

The phenomenological or interpretivist paradigm is the science of phenomena and was developed as a result of criticism of the positivistic paradigm. The phenomenological paradigm was concerned with understanding human behaviour from the participants' own frame of reference. Here the term interpretivist rather than phenomenological was used as it suggests a broader philosophical perspective and prevents confusion with a methodology known as phenomenology (Hussey and Hussey, 1997). Some of the key features of the positivist and the interpretivist approaches are highlighted in Table 6 below.

Table 6: Comparing Positivist and Interpretivist Approaches

Positivist	Interpretivist
<i>Epistemology</i>	
Objective - Possible to obtain hard, secure objective knowledge Seeking similarities from stable patterns	Constructive – Understood through 'perceived' knowledge Multiple realities
<i>Focus of research</i>	
Concentrates on description and Explanation	Concentrates on understanding and interpretation
<i>Methodology</i>	
Quantitative methods likely. Formalised statistical and mathematical methods predominate	Primarily qualitative methods used. Participants observation, case studies or field researches
<i>Evidence justification</i>	
Based on precise, repeatable observation	Embedded in context of variable social interactions

Source: Adapted from Carson et al., 2001, p.6

A positivist approach is mainly associated with quantitative methodologies, where research usually involves the collection of numerical data. On the other hand, an interpretivist approach is mainly associated with qualitative methodologies, where research usually involves the collection of non-numerical data, typically in the form of words, pictures and recordings. Therefore the main difference between the two approaches lies in the nature of their data and in methods for collecting and analysing the data. Quantitative research design uses a deductive logic. It begins with a general topic, which is then narrowed down to a research question(s) and hypotheses and finally a testing of these hypotheses against empirical evidence. On the other hand qualitative research uses an inductive logic. It focuses on discovering meaning to research questions through immersion in data and the extraction of themes and issues. Qualitative research is used when a more in-depth or perceptual data is required. In general data gathered through qualitative research are rich and subjective, since it captures detailed accounts of what is being studied. Therefore, for studies requiring in-depth investigation, utilising qualitative methods can have high contextual relevance.

Since there is no known research to date that investigates the process of C-SP relationship dissolution in the context of affinity marketing, and given the objectives of this study, an interpretive approach utilising a qualitative methodology was considered to be more appropriate. In the next section some of the methodologies used in past studies related to relationships ending in services in general and the method adopted in this research will be discussed.

4.3 Justification for Chosen Methodology

A review of studies on relationship dissolution suggests that qualitative approaches are more appropriate for understanding process-oriented events (Tähtinen and Halinen, 2002 and Strandvik and Holmlund, 2000). In the services marketing literature, some of the main methods used to investigate relationship dissolution include the Critical Incidents Technique - CIT (Keaveney, 1995 and Roos, 1999); the Switching Path Analysis Technique – SPAT (Roos, 1999 and Michalski, 2004); surveys (Colgate et al., 1996); and multiple case study (Stewart, 1998). All these approaches have merits and drawbacks, and were considered at the start of the investigation. However, it is the context and aims of a research that should determine the best approach.

CIT is “a set of procedures for collecting direct observations of human behaviour in such a way as to facilitate their potential usefulness in solving practical problems and developing broad psychological principles” (Flanagan, 1954). When CIT is applied to investigate behaviour in a customer-service provider setting, the interaction between the customer and the service provider (the service-encounter) would be the main focus of the technique. The C-SP relationship dissolution investigated here was based on a premise of a triadic relationship and this implies that in addition to the service-encounter, the customers’ link to the affinity group may also have an impact on customers’ behaviour. Thus the CIT approach was not a suitable method since the investigation extended beyond just service-encounter. It took a more holistic approach in investigating the process of C-SP relationship dissolution by including the customer-affinity group interaction.

SPAT is an approach developed from CIT and is “a method that is based not only on critical incidents but also on the criticality of the relationship switch, the switching path leading from the trigger to the relationship switch” (Roos, 2002). With regards to considering SPAT as an option, this study did not start with the assumption that the participants had switched to a different service provider. Therefore, it was felt that the SPAT approach was not an appropriate method.

Nonetheless this study acknowledges that factors such as ‘critical incidents’ and ‘intentions to switch’ might have a strong influence on the process of dissolution. These factors might even be the reason for the dissolution in some cases. However, the study was not bound by such factors and took a broader view in investigating the case of affinity marketing. Consequently CIT and other techniques that are derived from it were dismissed as being possible methods for conducting this research.

Another methodology used in past studies on relationship ending is a survey. A survey is mainly associated with a positivistic approach and is often used in research where the objective of the investigation is to make inferences about the population. The use of a survey was considered inappropriate for this study because often, a survey is based on a highly structured research design with the evidence sought based on precise and repeatable observation. The objectives set in this study require understanding and interpreting contextual data (e.g. individuals’ thoughts, feelings, behaviour etc).

The last method reviewed, was a case study, an approach that is widely used in investigating qualitative work. The case study research method is “an empirical inquiry that investigates a

contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used” (Yin, 2003). There is agreement in the methodological literature that case study research is a suitable method for seeking to understand the process of human decision-making and to understand how decisions are then implemented in real-life contexts (Miles and Huberman, 1994; and Yin, 2003). Case studies are considered particularly appropriate when the ‘how’ or ‘why’ questions are being posed about a contemporary set of events, over which the investigator has little or no control (Yin, 2003). Furthermore, Yin (2003) pointed out that a case study can be exploratory, descriptive or explanatory in nature and suggested that researchers should consider the following three conditions in determining whether or not to use this approach: (i) the type of research question being posed; (ii) the extent of control an investigator has over events; and (iii) the degree of focus on contemporary as opposed to historical events. With historical events, the researcher would be dealing with the past – that is, when no relevant persons are alive to report, even retrospectively, what occurred and when the researcher must rely on primary documents, secondary documents, and cultural and physical artefacts as the main source of evidence. With contemporary events the researcher may use many of the same techniques as a history, but can also add two possible sources of evidence not usually included in the historian’s repertoire: direct observation of the events being studied and interviews of persons involved in the events (Yin, 2003).

Given the overall objectives of this study it was felt that a case study approach would be more appropriate for conducting the investigation. A detailed discussion of why a case study approach was adopted follows.

4.3.1 Case Study Approach

Taking Yin's (2003) first condition into consideration, if one was to examine the three research questions posed, the first question was concerned with *how* the C-SP relationship ended in the context of affinity marketing. The second question asks the extent to which the affinity groups influence the customers in the process of C-SP relationship dissolution. Finally the third question was concerned with *how* and *why* the dissolution would impact the customer-affinity group relationship. All three questions posed have a 'why' and/or a 'how' element, and there are distinct advantages in using a case study approach to answer these questions: i) such an approach enables description of activities, decisions and behaviours to be explored thoroughly and ii) it allows for the investigation to specifically capture uniqueness rather than to seek wider generalisation (Yin, 2003).

Regarding the second condition Yin (2003) set, 'the extent of control an investigator has over events', in this study the researcher had no control over the set of events being investigated. Under such conditions, Yin's (2003) advice was to use a case study approach.

With regards to the third condition set out by Yin (2003), to use case study approach if the degree of focus is on contemporary as opposed to historical events, one can consider affinity marketing to be a contemporary event. The reasons being, first affinity marketing is a fairly new scheme, which is still popular in the market place and second, although the event being investigated is in the past the person involved in the event can be interviewed. These two circumstances and/ or sources of evidence are usually not present in the historian's repertoire. Therefore a case study approach may be a more suitable approach for understanding such schemes.

Yin (2003) suggests six sources of case study data. These are interviews, documentation, archival records, direct observations (a method that covers events in real time and is conducted by making a field visit to the case study 'site'), participant observations (a special mode of observation in which the researcher is not a passive observer. Instead the researcher may assume a variety of roles within a case study situation including participating in the event being studied) and physical artefacts.

Evidence from multiple cases is often considered more compelling. Furthermore, by using a multiple case study method the overall study can be regarded as being more robust and this could add more confidence to the research findings (Miles and Huberman, 1994; and Yin, 2003). Therefore, to provide more opportunity for developing a deeper understanding of the process of C-SP relationship dissolution within and between the professional and the charity categories, a multiple case study approach was adopted as the most appropriate method for this study. This also enabled the identification of similar and contrasting behaviours of the participants and allowed for the research questions to be explored under varied settings.

4.4 Ethical Considerations

The data collection procedures were guided by published ethical guidelines of the Open University Academic Integrity - Code of good practice in research and ethical guidelines of the British Educational Research Association (BERA). A proposal for the research plan of action, which included justification of research, details of participants, recruitment procedures, and data protection was submitted to the Open University's Human Participants and Materials Ethics Committee and was approved before the data collection was undertaken.

In keeping with ethical guidelines participants were given information about the nature of the study at the time that they were recruited and before the interviews were conducted. In addition the participants were also given an informed consent document which they were asked to sign after confirming that they had understood the information. A copy of the research information document and the consent form are included in Appendix 2.

To protect anonymity each participant was assigned a pseudonym. Furthermore to maintain confidentiality the affinity groups linked to participants were not named. Instead an indication of the affinity category (professional or charity) was used to show the type of group the participants were linked to.

4.5 Methods used for Data Collection

Given the objectives set and the fact that such research was being conducted for the first time, an interview technique supported by a brief questionnaire was adopted as the most appropriate method (questionnaire discussed in 4.5.3). The remaining five sources of data suggested by Yin (2003), documentation, archival records, direct observations, participant observations and physical artefacts, were not suitable for this study for the following reasons:

- With regard to documentation, in the limited work or resource available on affinity marketing, there was no research or statistical information known to date, which relates directly to the research questions posed. Furthermore, any information which relates to C-SP relationship dissolution was likely to be held by the financial institution. From past experience, it was known that due to data protection issues, financial institutes were unlikely to reveal or give access to such information.

- With regard to archival records, there is no known record to date relating to affinity marketing that could support this study.
- Both direct and participant observations were not suitable for this study because the focus of the research was on past events, that is, the process of C-SP relationship dissolution that had already taken place.
- Finally, physical artefacts are not relevant to the study given it was exploring behaviour of the participants in the dissolution process of a C-SP relationship.

The sections that follow discuss the interview approach used for data collection. The section begins by outlining points taken into consideration in selecting the professional and the charity categories as the focus of this study. Then it outlines the procedure followed in designing the interview and finally it discusses the questionnaire, which supported the interviews.

4.5.1 Affinity Groups

The literature identified various classifications for affinity groups (Chapter 2.4.2). The professional and the charity categories were selected for the study to reflect diversity of affinity relationships (Laing et al., 2004 and Mekonnen et al., 2008). It was felt that the diversity would allow for better comparison. For instance if two similar categories, for example the membership group and the professional group were to be selected, one may not be able to discover varying themes relating to the process of dissolution. The differences between the professional and the charity category are mainly concerning the construction of value by consumers. Individual and group benefits were key factors in the construction of value in affinity marketing. Individual-functional benefits were given more importance by members of the professional groups whilst, group-functional benefits were the focus for the members or supporters of the charity groups. Although a comprehensive discussion on

categorisation of affinity groups was provided in Chapter 2 (Section 2.4.2), a brief description of what constitutes a charity group and a professional group is outlined below

Charity groups can be described as those that share a common cause, ideology or value system. There is a wide array of groups that could be included under this category. For example, Mintel (2004) listed five key groups of charities that have penetrated affinity marketing as a whole. These were (i) environmental charities; (ii) animal/ wildlife charities; (iii) charities for children and for the elderly; (iv) development/ human rights charities and (v) medical health-related charities. Worldwide fund for Nature (WWF), Cancer Research and the child protection charity (NSPCC) are typical examples of organisations that may be represented by the charity category.

Professional groups are described as “groups composed of individuals who may directly benefit from affiliation through networking, status, professional advancement, or other types of recognition” (Macchiette and Roy, 1992). The American Marketing Association, the Law Society and the British Medical Association are examples of such groups.

4.5.2 The Interview

The objectives of this study required the researcher to understand the participant’s thoughts, behaviours and feelings on events leading to dissolution and the process of dissolution. Thus given the level of detail anticipated from the participant in-depth, semi-structured interview guided by an interview guide (Appendix 3) was used to collect the data. Interviews can be structured, semi-structured or unstructured. In qualitative studies interviewing is generally conducted in unstructured or semi-structured format (Oppenheim, 2003). A semi-structured approach allows people to answer more on their own terms in contrast to a structured

interview, yet still provides some structure for comparability. For example, comparison can be made between participants reason(s) for taking out the affinity card, between the levels of involvement participants had with the affinity group, between the dissolution and so on.

The conceptual framework primarily led the interview guide. The main points covered by in the interview and a brief illustration of how each topic related to the ideas developed in the conceptual framework are shown in Table 7 below. The full copy of the interview guide is included in Appendix 3.

Table 7: Interview Topics

Interview topics	Relation to Conceptual Framework
<ul style="list-style-type: none"> • Participants' reasons for taking out the affinity credit card • Involvement with the affinity group 	- Triadic Relationship
<ul style="list-style-type: none"> • Why participants decided to stop using the card 	- Triggers of Dissolution
<ul style="list-style-type: none"> • Steps taken in cancelling the card 	<ul style="list-style-type: none"> - Mediating Variables - Response to Trigger
<ul style="list-style-type: none"> • If and how participants' view on the role of the affinity credit card, the service provider and the affinity group changed 	- Aftermath

The interview started off with some warm-up questions regarding why the participant took out his/her affinity credit card and his/her relationship with the affinity group. Afterwards, the main part of the interview commenced with questions relating to why the participant decided to stop using the affinity card. In the majority of the interviews, questions relating to triggers of dissolution were enough to hear the full story of relationship endings. But in some of the

interviews it was necessary to keep the thread and follow the interview guide to get the full story.

Most of the questions asked were open-ended, for example, the participant was encouraged to tell his/her own story. An open-ended question allows the interviewer, to probe deeper into the initial responses to gain a more detailed answer to a question if required. Open-ended questioning is also known to be more common for a case study (Yin 2003).

In addition, follow-up and /or probing questions were used to expand on key issues. Such technique can deepen the response to a question, can increase the richness of the data being obtained and where more information is required it encourages the interviewee to give a detailed response (See Appendix 3, for examples of follow-up questions and probing questions).

The interviews were kept as relaxed and as open as possible, even if it meant some repetition. Repetition occurred at times when participants needed to elaborate on issues. In some instances the repetitions also served as a technique for reaffirmation of key events in the process of dissolution.

To ensure that the process of dissolution was understood correctly and to validate the participant's story, at the end of the interview either the participants were asked to summarise the process of dissolution or the interviewer briefly summed up the ending process to the participant for confirmation. The appropriate approach was chosen depending on the flow of

the interview. With the permission of the participants all the interviews were recorded and later transcribed.

For the safety of the interviewer, conducting interviews in isolated situations was avoided. As such, for convenience and practicality, two-thirds of the interviews were conducted at the Open University regional offices whilst the rest were conducted at the facilities in Glasgow University.

4.5.3 The Questionnaire

The purpose of the questionnaire was to support the in-depth interview and to gather some factual and some attitude based information. A copy of the questionnaire used is included in Appendix 1. The first three sections of the questionnaire were on the participant's demographic details and were mostly to do with facts relating to types of credit cards and usage. Section four was concerned with the participant's behaviour and feelings towards the affinity group and provided a deeper understanding of the participant's relationship with their affinity groups.

In designing section four (question 15) of the questionnaire, the marketing, psychology and sociology literatures were reviewed to identify existing scales for measuring the components of affinity. In the Laing et al., (2004) and Mekonnen et al., (2008) study of affinity marketing four constructs: communication, connecting, contribution and commitment were identified as being the main (but not exclusive) dimensions of affinity. The scales relating to these four items were selected and adapted for this study to create the statements shown in Table 8. The first column in the table lists each statement and the second column indicates which dimension

of affinity each statement relates to and the source of the items. The statements were assessed using seven point scales with verbal anchors of ‘strongly disagree’ (1) to ‘strongly agree’ (7).

Table 8: Statements reflecting dimensions of affinity

Please indicate your level of agreement with the following statements by ticking the appropriate box for each statement. Score scale range 1 to 7: 1 being strongly disagree and 7 strongly agree	
Statement*	Statement indicates:- (application and source)
1. This group is an important reflection of who I am	Communication(identity) Luhtanen and Crocker 1992, collective self-esteem scales CSES
2. I feel that this group is worthwhile	Connection(private) Luhtanen and Crocker 1992 , Importance of affinity group to individual
3. I feel good about this group	Connection(private) source: same as No.2 above
4. I take part in this group's activities on a regular basis	Contribution (membership) Luhtanen and Crocker 1992
5. I share this group's concerns	Commitment (affective) Meyer, Allen and Smith 1993 – desire

*Source: Adapted Statements sourced from Laing et al. (2004) and Mekonnen et al. (2008)

The participants were asked to complete the questionnaire before commencing the interview. The questionnaire was designed for assisted-completion as opposed to self-completion. Even though the questionnaire was piloted, having an assisted questionnaire was advantageous because, as pointed out by Oppenheim (2003), it gives the researcher an opportunity to make clarifications in the event of any misunderstandings.

The demographic results from Section one of the questionnaires are presented in Section 4.7.3 (characteristics of participants) of this chapter. Relevant results from the questionnaire are incorporated at a later stage of this study in the finding chapters of this thesis when developing case studies for each participant.

4 6 Pilot Study

The interview guide and the questionnaire were piloted on seven volunteers. The volunteers for the pilot study were recruited through snowballing and through repeated advertisements placed on the intranet of the Open University. Based on the sampling criteria, described in detail in the section on sampling (4.7.1), the aim was to recruit volunteers from the charity and professional category. In brief, the main criteria for sampling were as follows: equal number of participants to be recruited from both categories; participants must have held affinity cards linked with varied affinity schemes which they terminated less than six months prior to interview; both male and female participants over twenty one years old to be recruited; and ideally the number of years the participants were with the service provider should range between two to fifteen years, or over. However, it proved very difficult to recruit volunteers from just the professional and charity category for the pilot study. Therefore volunteers for the pilot study were sought and recruited from the membership, lifestyle, and university affinity groups as well. The characteristics of the volunteers are shown in Table 9 overleaf. Having volunteers from the five categories proved advantageous to the study since it provided support for some of the divergence, such as, difference in the nature of attachment, which was noted in the literature. For example, volunteers from the professional and membership group were driven more by the image of the affinity card, whereas the participants from the charity and university group were driven by the notion of supporting the group. In terms of the length of time the affinity card was held, all the volunteers that participated met the criteria set in the sampling frame, ranging from two to twenty years. In addition, regarding termination of affinity credit cards before the pilot interviews, the time ranged from one week to three years. This was useful in supporting Keaveany's (1995) suggestion about the importance of using a minimum of six-month time frame for reliable recall. Those who had cancelled their card no

longer than six months prior to the interview had a good recollection of the event(s) that led to the dissolution of the C-SP relationship. However they were not exclusive since a couple of other participants who had cancelled their affinity cards over six months prior the interview had a very good recollection of the process of dissolution.

Table 9: Pilot Study Participants

Pilot participant #	Age	Gender	Affinity Category	Length of time affinity credit card was held	Time the C-SP relationship ended prior to interview
1	55-59	Male	Lifestyle	3 years	1 year
2	55-59	Female	Charity	2 years	1 year
3	50-54	Female	University	5 years	2 years
4	40-44	Male	Membership	20 years	1 week
5	55-59	Female	Professional	2 years	2 months
6	40-44	Female	University	10 years	2 years
7	60-64	Male	University	10 years	3 years

Supported by a questionnaire and interview guide, in-depth, semi-structured one-to-one interviews were conducted with the volunteers. This enabled the researcher to check for ambiguity, accuracy and to monitor the length of the questionnaire and the interview. The data collected through the pilot study were tested to gauge if the initial coding frame, mostly first and second level only (see Appendix 4), which was designed from the conceptual framework was feasible. Furthermore, comments were gathered from the volunteers regarding the questionnaire they completed.

Comments gathered from the volunteers on the questionnaire showed that, overall, the questionnaire worked well in terms of flow and understanding. However, it was necessary to make small amendments to improve the clarity. The amendments were as follows:

- (i) Clarifications were made as to what was meant by main and additional card in Section two, question one
- (ii) A question relating to participants' awareness of the benefits of the card was added in Section four, question fourteen and
- (iii) The overall presentation of the questionnaire was improved.

The final version is included in Appendix 1. Furthermore after assessing the pilot interviews, it was found that more general questions and probing techniques were needed to encourage participants to recall the process of dissolution in as much detail as possible. For example, probing questions that encouraged the participants to expand on their story were added to questions eight, nine and ten of the interview guide (see Appendix 3 – example of probing questions enclosed in bracket).

The conceptual framework and the interview guides provided the basis for developing the initial coding frame for the data analysis. Data collected in the pilot study were used to test the initial coding and analysis, using the qualitative analysis software Nvivo. The piloting seemed to work well as the results mostly fitted with the first and second level coding developed. Moreover, it allowed the researcher to anticipate additional variables that might come up in the main study and to add some new variables to the original coding frame. Examples of some of these amendments are shown in Figure 7- an extract from the coding frame. The illustration in Figure 7 also includes the improvement made to the main study. During the analysis of the pilot data, a matrix illustrating key variables, themes and issues associated with the process of dissolution was also created. This was later refined in the main study to allow for additional

issues that emerged through probing (see Appendix 5 – Matrix of key variables, themes and issues associated with the process of dissolution).

4.7 Main Study

In this section the sampling criteria, the recruitment procedures and the characteristics of the study participants are discussed in detail.

4.7.1 Sampling

This research is based on a sample size of twenty-four participants who fitted the sampling criteria illustrated in Table 10. Given the qualitative nature of this study, purposive sampling was chosen over random sampling. So participants were chosen more because of their relevance to the study than because they were representative (Miles and Huberman, 1994). Furthermore, in case studies, the sample size could be too small to justify random sampling. When it comes to deciding on sample size, the number should depend on the complexity of the study (Miles and Huberman, 1994). There is no common system or calculation for an appropriate number of cases to be studied (Yin, 2003). The decision is purely reliant on the need for information. It may be possible to study one case and look at it in great depth within various units of analysis within that case, or similarly consider a number of cases. In this study it was also felt that data saturation would be achieved with twenty-four participants.

The target population for this study can be classified as niche market or alternatively described as hard to reach (Messeri et al. 1997 and Faugier and Sargeant 1997) or rare population (Sudman and Blair 1999) - here the term rare population was used. When the target sample is a rare population, if locating respondents is not straightforward, for example if a sample list is

not available or accessible, then the screening of the general population is necessary (Sudman and Blair, 1999).

Given the qualitative nature of the investigation, initially, it was felt that twenty participants would be a sufficient sample size. The number was later increased to twenty-four to allow for potential drop-outs or for the possibility where the participant may have passed screening stage but data may be found to be unsuitable for the study at a later stage. Furthermore, in view of the restriction and difficulty associated with recruiting a rare population, the scope of the investigation and the research feasibility, it was felt that twenty-four participants would be sufficient for collecting the required data.

Table 10: Sampling Frame for Participants

Areas taken into consideration	Criteria
Affinity Category:	Charity and Professional (schemes to be as varied as possible)
Sample size:	12 Charity and 12 Professional
Age:	Over 21 years and age spread
Sex:	Male and female even spread
Number of years with service provider:	Minimum 2 years. Ideally a spread of customers who had the account between 2-15+ years
Time-frame service was terminated:	Service terminated less than 6 months prior to Interview
Location of interview	Glasgow, Nottingham, Bristol and London*

*London – location added at a later stage

As discussed already in Section 4.5.1, two categories of affinity groups (charity and professional) were selected to reflect the diversity in affinity relationships and to enable viable comparison.

The aim was to interview equal numbers of participants from both categories. The participants might or might not be a current member or supporter of the affinity group.

The minimum age of participants was set to twenty-one. This was done with the view that, generally, the minimum age to obtain credit cards was eighteen, allowing for the minimum time that a card was held to be at least two years. Setting a minimum age also ensures that the participants have some experience with the service provider. Finally, to get the views of both genders the target was to recruit an even spread of male and female participants.

The sampling frame required that the recruitment should cover a spread of participants who had had the affinity card for at least two years and some possibly for much longer, for example fifteen years plus. Having a range of time (card held and membership) allowed for any shift in customers' experience over a period of time to be noted. In her study on customer switching behaviour in service industries, Keaveney (1995) suggested that a six-month time frame was reliable enough for recall. Following Keaveney's guide, the interviews were held with customers who had terminated their affinity credit card within six months preceding the interview.

This research was undertaken using participants from different regions of the UK in order to minimise bias. The locations chosen were Bristol (South), Glasgow (Scotland) and Nottingham (Midlands). Initially the intention was to conduct eight interviews in each selected region. However, difficulties in achieving the quota for each location necessitated the addition of one more location in order to meet the target set for the required number of participants. Therefore it was decided to recruit the remaining participants in London. It was felt that since

London was a cosmopolitan city with a population seven million (7.6 million residents in 2007 - www.statistics.gov.uk), it might provide more opportunity and scope for recruitment.

4.7.2 Recruitment Procedure

Participants were recruited and compensated through a specialist fieldwork company. The fieldwork company was briefed on the study and given information such as a brief description of the investigation, notes on confidentiality and the sampling frame to assist them with their recruitment. The specialist fieldwork company mainly used 'find face-to-face', snowballing, and databases to recruit the participants.

Previous experience investigating affinity relationships using active affinity credit card customers indicated that affinity credit card holders were very difficult to recruit (Laing et al. 2004 and Mekonnen et al. 2008). The previous research was sponsored by a financial service organisation that provided access to a selected database of their customers who were willing to be contacted. Although the previous study employed targeted sampling utilising a database of customers and had less rigid criteria it yielded a poor response rate for the group discussions and only an 8.5% useable response rate to the surveys. Given this experience and compounded by the fact that this investigation had a more stringent recruitment requirement and a rare target population, it was considered appropriate to employ a fieldwork company to undertake this task. Moreover the researcher did not have knowledge of or access to a centralised database which holds the details of potential participants that meet the criteria set in the sampling frame.

Although payment of participants is a controversial issue this practice has long been an integral part of the recruitment of research participants (Dickert et al., 1999). Furthermore, it is argued to be permissible for participants to get their expenses paid together with a modest fee (if any) for their assistance (Oppenheim, 2003).

When recruiting a rare population, in order to get more participants, Sudman and Blair (1999) suggested using techniques such as snowball sampling, networks and databases, where the sample is not geographically clustered. Consistent with these recommendations the Fieldwork Company included snowballing and databases to recruit participants. The database that was used by the Fieldwork Company was one that was compiled by the company for various studies. In addition, the fieldwork company used the ‘find face-to-face’ method, which is a procedure whereby the recruiter stops and asks people on the street to participate.

The guide for screening participants was drawn with the support of the fieldwork company. The questionnaire used to select the participants is included in Appendix 6 (Form for Screening Study Participants). Details of the potential participants were double-checked against the sampling frame before recruitment was finalised. The final sample was made up of eight participants in Glasgow, four in Nottingham, six in Bristol and six in London. Questions relating to a potential participant’s past participation in market research (Appendix 6, questions 7, 8 and 9) was a standard requirement by the recruitment agent. These types of questions are often found in customer surveys one might receive.

4.7.3 Characteristics of Study Participants

The characteristics of participants are summarised and presented in Table 11. The demographic information and the details relating to the sampling frame were collected during the screening process and through the questionnaire. Information on the nature of the link with the affinity group was obtained during the interview process. The table is partially ordered by affinity group category followed by the region the interviews were held.

Eight different affinity groups from the charity category and nine groups from the professional category were represented.

Table 11: Characteristics of Study Participants

PSEUDONYM	AGE	GENDER (M - Male or F - Female)	AFFINITY CATEGORY P - Professional or C - Charity	TIME AFFINITY CARD WAS HELD (Years)	CARD TERMINATED (months before interview)	q13-PARTICIPANT MEMBER/ SUPPORTER OF AFFINITY GROUP (yes/no)	q13A1- (if q13 is Y) HOW LONG - years	q13 b1 (if q13 is N) EVER BEEN MEMBER	q13 b2 (if q13b1 is Y) HOW LONG- years
Jeremy	38	M	C	2	5	Y	6	/	/
Caroline	41	F	C	2	8	Y	3	/	/
Ken	50	M	C	7	6	N	/	N	/
Sherry	60	F	C	2	4	Y	6	/	/
Stuart	30	M	C	2	6	Y	2	/	/
Matthew	45	M	C	10	5	N	/	N	/
Grant	59	M	C	4	6	N	/	N	/
Chloe	32	F	C	2	6	Y	3	/	/
Colin	33	M	C	4	4	N	/	Y	4
Nigel	48	M	C	2 ½	3	N		Y	4
Michael	24	M	C	2	6	N	/	N	/
David	36	M	C	8 to 10	5	N	/	Y	8
James	41	M	P	2 to 3	5	Y	14	/	/
John	48	M	P	2	6	N	/	Y	3
Alan	34	M	P	2	6	N	/	Y	2
Richard	25	M	P	2 ½	8	N	/	Y	2 ½
Patricia	33	F	P	3½	6	Y	16	/	/
Sally	35	F	P	3	4	Y	9	/	/
Alice	51	F	P	10	6	Y	15	/	/
Linda	28	F	P	2 ½	6	Y	3	/	/
Brenda	26	F	P	1 ½	6 to 7	Y	2	/	/
Greg	48	M	P	2 to 3	4 to 5	Y	31	/	/
Kelly	33	F	P	2	6	N	/	N	/
Sophia	35	F	P	3	6	N	/	N	/

The length of time a participant had held the card ranged between two and ten years. In addition, the time a participant had been a member of or was still members of the affinity group (where applicable) ranged between two and thirty-one years. The information above was found useful in providing a fuller and more detailed picture of the participant's relationship with the affinity group.

Overall, a balanced spread of gender was achieved, with ten female and fourteen male participants. The age range was between twenty-four and sixty years for the charity category and twenty-five and fifty-one years for the professional category.

With the exception of two participants, Caroline and Richard, who were both two months over the six month recall time frame set for this study, all the remaining participants had terminated their affinity card under six months prior to the interview. Due to difficulties experienced in recruiting, it was felt that the two participants being slightly over the criterion set for recall time would not affect recall reliability and the richness of the data.

4.8 Analysis and Interpretation of the Data

Generally, researchers are interested in understanding and interpreting the meanings and experiences of their informants (Spiggle, 1994). Whilst, the data can be manipulated through analytical operations, in interpretation one makes a construal – asks what something means (Miles and Huberman, 1994 and Spiggle, 1994). Early stages of analysis can begin from the start through reflective remarks and summary sheets being prepared after each interview. Without such reflection, it is easy to get lost in excessive detail (Miles and Huberman, 1994). In view of this the analysis of the data collected was conducted in four stages. These were: organisation of the data, familiarisation and coding, use of a matrix and preparing case study summaries. Each stage of the analysis and interpretation is discussed in Sections 4.8.1– 4.8.5.

Figure 5 illustrates the four stages of analysis and interpretation followed for this research project. Since stages one to three of the analyses were done concurrently, these are shown as

overlapping stages. The overlapping display is also an indication of the iterative nature of the analysis, which is discussed further next.

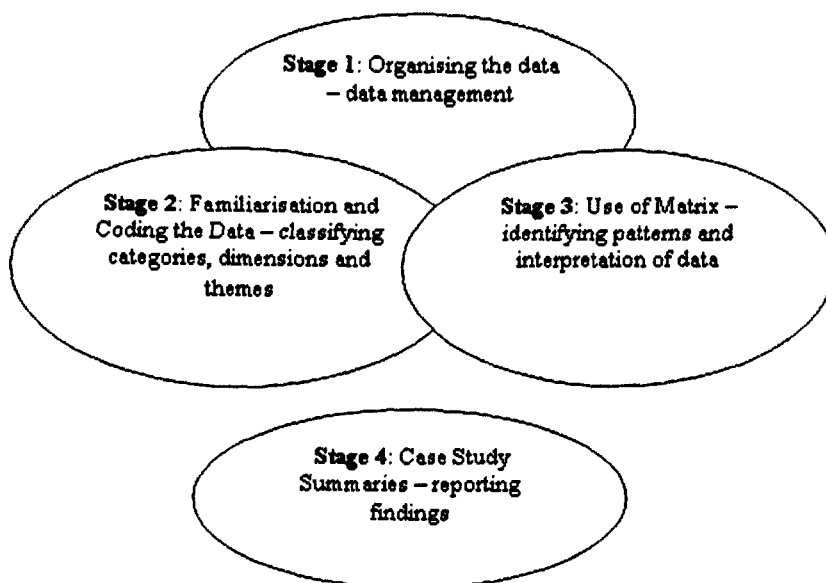


Figure 5: Four Stages of Analysis and Interpretation (Adopted from Spiggle, 1994)

4.8.1 Iterative Procedure

To allow for systematic reflection and refinement of the data, the first three stages of the analysis and interpretation were conducted in iteration. Iteration implies that investigators do not perform specific research stages in a sequential manner but move back and forth between stages (Spiggle, 1994). This iterative procedure had advantages for both the research practice and the theory development. Regarding research practice, for this study it permitted the development of provisional categories and the conceptual connections for subsequent explorations. Thus it aided in the process of induction – developing concepts and constructs from the data (Spiggle, 1994). Regarding theory development, the procedure enabled a more unified interpretation of the data by encouraging the back and forth movement between part

and whole, thus assisting deduction – refining concepts and drawing out their theoretical implications.

Iteration can take place at different stages of research. As indicated in Figure 5 the iterative process was conducted between the first three stages of analysis. However, since the key themes and emerging patterns in understanding the process of dissolution were identified and refined between stages two and three of the analysis, the iteration process that supported these two stages will be explained in more detail.

Spiggle (1994) discusses two forms of iterations. The first is iteration based on data record, which is an iterative back-and-forth process of relating part of a text to the whole, and where the interpretations are continuously revised as more of the text is grasped by the interpreter (Thompson et al., 1994). In contrast the second form of iteration is based on the entire data set and refers to the back-and-forth procedure being between each interview (which is the part) and the entire set of interviews (which is the whole). The latter is especially useful when it comes to naming patterns that reflect consumers' behaviour. Both approaches were used to support this study. A holistic picture of the process of dissolution for each participant was captured using iteration based on data record, whilst iteration based on the entire data set assisted in making comparisons between the charity and the professional affinity groups and in identifying patterns.

4.8.2 Stage One - Organisation of the Data

To begin with, a short summary of each participant's experience of the process of dissolution was prepared after each interview was conducted. This allowed the research to reflect on possible themes and main issues concerning the process of dissolution. Organisation of the

data then commenced with the verbatim transcription of each audio-recorded interview. Since transcribing spoken data entails listening to the recordings several times, it had the added advantage of enabling thorough data familiarisation. Hence, familiarisation of the data began during the process of transcription. After the transcriptions were double-checked for accuracy, they were imported into Nvivo, a software package designed to facilitate computer-assisted data analysis. The use of such software in qualitative research has many advantages. Such software can make qualitative analysis easier, more accurate, reliable and transparent (Gibbs, 2002). However, one also has to be aware that such software has limitations, “the real heart of analysis requires an understanding of the meaning of the texts, and this is something that computers are still a long way from being able to do” (Gibbs, 2002 p.10). Nvivo assisted in sifting through the data, because it has the capacity to organise large volumes of data and speed up search. Once in Nvivo, the data were organised into a single database with each transcript being identified by the pseudonyms assigned to the participants. Each transcript was then explored in more detail. Furthermore its data management facilities enabled the implementation of an efficient system of recording ideas, searches, and analyses that came out of the data. Moreover, Nvivo was able to facilitate the iterative process. The sections that follow include further examples of how Nvivo was helpful at the different stages of data analysis.

4.8.3 Stage Two - Familiarisation and Coding of the Data

Familiarisation entails building an understanding of the range, depth and diversity of the data. In stage two of the analysis, the researcher continued with the process of familiarisation. As already discussed in the previous Section (4.8.2) this process began in stage one, however in stage two, it was important to become immersed in the data by reflecting on each interview in

more depth. Whilst exploring the data, notes which consisted of initial impressions, key ideas and recurring themes were prepared on each interview. In addition to taking notes, using Nvivo, the first round of coding was conducted on the data collected. The transcribed stories were coded using both pre-structured and open-coding (Gibbs, 2002). Subsequently, the coding procedure was repeated several times with refinements made to the coding frame during this process.

At the preliminary stages, the initial categories for the pre-structured coding were developed based on: the conceptual framework presented in Chapter 3, the interview questions that were derived from the framework and the findings from the pilot study. The coding frame developed is included in Appendix 4. The pre-structured coding helped in focusing on data that were more relevant to the study, thereby avoiding the danger of getting too caught up in generating too many coding categories. Even so, caution was taken to avoid being entirely tied to the initial categories generated using the conceptual framework. Such pitfalls were avoided by using open-coding to capture emergent categories. The rationale for using open-coding was to extract what was happening from the data rather than imposing coding or interpretation based on pre-existing classification. The idea behind open-coding is that the text is read reflectively to identify relevant categories. The inductive technique, utilising open-coding is well known by its use in the grounded approach which was originally advocated by Strauss (1967). However, similar techniques to open-coding have been adopted by other researchers. For example, Gibbs (2002) describes a technique comparable to open-coding which he identifies as data-driven approach.

The pre-structured and open-coding were conducted concurrently with each additional interview coded adding new dimensions to categories and/or for explaining further concepts and ideas already identified. In addition themes that were repeated in subsequent transcripts were used to clarify further each description and to allow additional in-depth understanding of participants' perceptions of the process of dissolution. This process of refinement is best demonstrated by showing an extract from the coding frame at its initial and final stages. The extract demonstrating this development is illustrated in Figure 6 of 'initial pre-structured coding frame' and Figure 7 of the 'final coding frame'. The new codes were also applied to previous interviews where appropriate. A full illustration of the final coding frame used in this research is illustrated in Appendix 4. Since the key variables and categories used in the coding frame are discussed comprehensively in the conceptual framework and findings chapters (Chapter 3 and 5), it is not repeated in this section.

In this particular example of coding frame no changes were made to the first and second level of the coding tree. Therefore, for simplicity the first level is not shown in the final coding frame (Figure 7). In addition, in the process of refinement, a fourth level, that mostly comprised of dimensions that emerged from the data during the process of iteration were introduced to the final coding frame. The dimensions shown in the fourth level in Figure 7 are examples of some of the key dimensions that were found. They do not include of all the dimensions uncovered in the investigation. Furthermore, the category 'types of dissolution' was made redundant from the third level of the coding tree since this information was not perceptible at this stage of the analysis. For the purpose of illustrating how the coding frame evolved, all the amendments and additions in Figure 7 have been shaded.

Figure 6

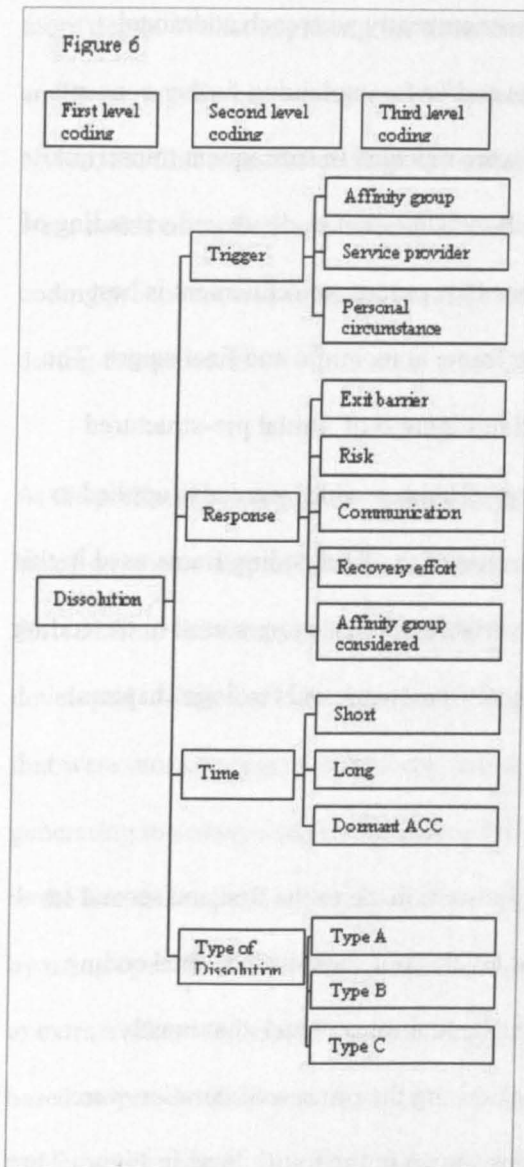
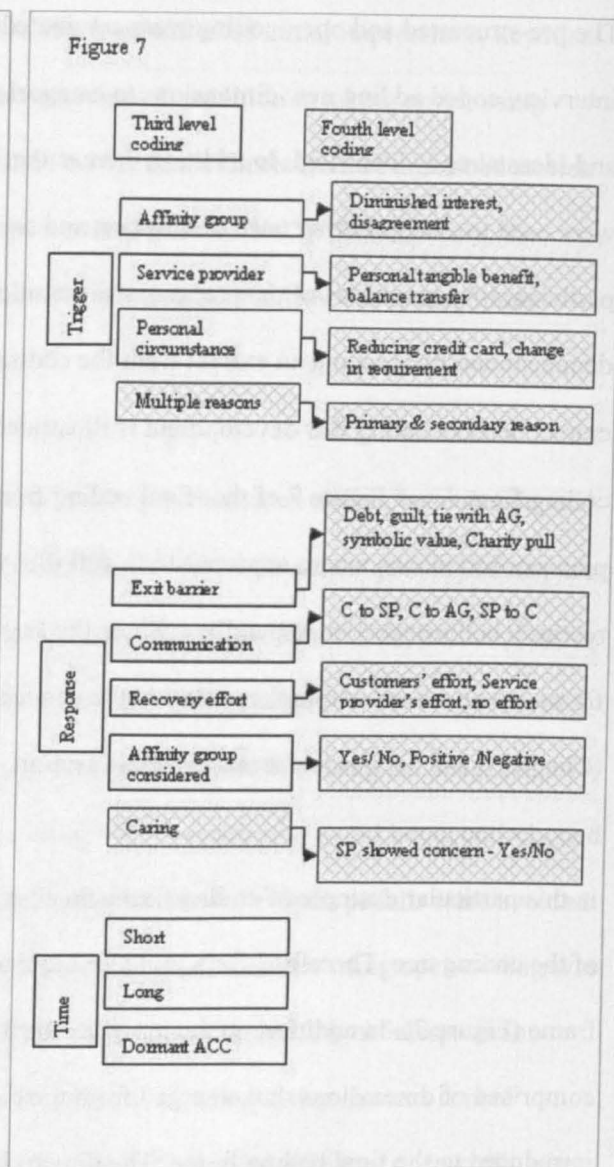


Figure 7



Abbreviations: C – Customer SP – Service provider AG – Affinity group ACC – Affinity credit card

Shaded area indicates modifications and additions

Figure 6: Initial Pre-structured Coding Frame

Figure 7: Final Coding Frame

4.8.4 Stage Three - Use of Matrix

Coding the data enabled the investigation to proceed to stage three of the data analysis. In stage three, categories were classified, patterns were noted and themes were identified using a matrix display. The final matrix display included key variables and themes found from the investigation.

Valid analysis requires and is driven by displays that are focused enough to permit the viewing of a full data set in the same location and are arranged systematically to answer the research question at hand (Miles and Huberman, 1994). At this stage of the analysis, a matrix that displayed all the key findings that demonstrated the participants' experience of the C-SP relationship ending was constructed. The matrix, illustrated in Appendix 5, included the key variables and categories that reflect important themes or issues associated with the process of dissolution. Displaying the key findings and variables in the same location assisted in the interpretation of the data as it enabled patterns to be identified and examined more easily. The matrix was created as a partially-ordered matrix. It was ordered firstly, by the affinity groups (Professional and Charity) and secondly, by the type of link participants had or may still have with the affinity group (compulsory or non-compulsory in the case of the professional group and personal, distant or coincidental in the case of the charity group). Organising the matrix using partially-ordered entry of the data was useful in making cross-case and within case comparisons. Such a display enabled variations and similarities between and within the charity and the professional categories to be detected more easily. Furthermore, the matrix also enabled any relationships between variables to be noted. In addition, having a matrix enabled

contrasts and comparisons between categories, variables, and processes to be made much more easily.

The process of iteration carried out whilst completing the matrix entailed revisiting the coded data several times. During this process, the coding frame was refined to enable a logical chain of evidence to be collected in support of each case (Miles and Huberman, 1994 and Yin, 2003). Moreover, building a chain of evidence is a technique that can be used to increase the reliability of data. This is discussed further in Section 4.9.

In building an understanding of customers' behaviour during the process of dissolution one has to gather evidence of the same pattern – recurring regularities (Guba, 1981) whilst remaining open to disconfirming evidence. Ultimately, through pattern recognition, unified themes by which participants construed their experience of the process of dissolution were generated. Patterns of variables and processes were anticipated whilst analysing and interpreting the data. Patterns of variables involved looking for similarities and differences between and within the charity and the professional categories. In contrast patterns of processes involve looking for similarities in the actions taken by the participants during the process of dissolution. In addition, any other form of pattern which relates to the process of dissolution was noted. A comprehensive discussion of the patterns identified and the themes found through this research is included in the findings section (Chapter 5, 6 and 7).

In summary - in relation to the research objectives, highlighted in Section 4.1, the key areas and/or dimensions outlined in the matrix which are presented in Appendix 5 include:

- The nature of the relationships within the triad, which are relevant to the focus of the study

- Triggers of dissolution categorized by sources of trigger.
- Mediating variables and their role in the process of dissolution and
- The aftermath of the process of dissolution.

4.8.5 Stage Four - Case Study Summaries

In the last stage, a case study summary was prepared for each participant involved in the study. The case studies were presented in a descriptive narrative style, the cases synthesised the findings and highlighted the main themes that emerged from the study. The case studies were intended to allow for any similarities or differences between the cases to be noted. This was done through the identification of a series of themes and issues that were eventually used as common subheadings throughout the cases. These headings also provided a structure for discussing the research findings in Chapter 5. Cases were written preserving their individual status to allow for depth and richness of data, but also taking into account the need to provide comparison across cases. The case studies are presented with supporting quotes and a chain of evidence where appropriate (Miles and Huberman, 1994 and Yin, 2003).

Each case began with a brief profile of the participant. The profile was then followed by an account of the different affinity credit card related relationships the participant had or might have had in the past. These relationships are comprised of the customer's relationship: with the affinity group (C-AG), with the affinity group through the affinity credit card (C-ACC-AG) and with the service provider (C-SP). Discussion of triggers of dissolution and the process of dissolution followed the description of the relationships. Finally a brief note on the aftermath of the dissolution and concluding remarks summarising the case study was presented.

4.9 Validity and Reliability of Findings

There has been a great deal of debate about the standards for assessing the quality and rigor of qualitative research. However there is no clearly agreed upon guidance as to what criteria to use to evaluate qualitative findings (Miles and Huberman, 1994). When assessing the quality of the data a number of factors that addressed its rigor and quality were considered. These are discussed next in the sub-sections on validity and reliability.

4.9.1 Validity

Validity demonstrates that the research was conducted in such a manner that the subject of the enquiry was correctly identified and described (Hussey and Hussey, 1997). The validity of qualitative research can be enhanced through, for example, the depth of interviewing, by having informants review their draft case, through pattern matching and through triangulation (Carson et al., 2001; Miles and Huberman, 1994; and Yin, 2003). Another issue concerned with the validity of a study is whether the findings can be applied or transferred to another situation that is similar, and if the findings can permit generalisation.

A number of techniques were used to ensure the validity of this study. Firstly, to ensure the depth of interviewing, and enable the gathering of context-rich and meaningful data, open-ended interviewing technique was used. This provided the opportunity for rapport building and hopefully allowed the participant to feel sufficiently relaxed and able to express his/her views and opinions fully (unreservedly). Secondly, after the interview the participant was given the opportunity to summarise his/her story or alternatively to comment on the interviewer's oral account (short summary) of the ending story. This was done to confirm if the interviewer had accurately captured and understood the story. Thirdly, multiple cases were used to support the

findings. Multiple cases allow researchers to strengthen the precision, the validity and the stability of findings (Miles and Huberman, 1994). Having multiple cases also allowed for recurrent patterns to be noted. Finally, replication strategy was used to check if the findings could be transferred/hold in similar settings. Using multiple cases enables an investigation to follow a replication strategy (Yin, 2003). Yin (2003) stressed that, in a replication strategy if a finding holds in one setting and given its profile, also holds in a comparable setting but does not in a contrasting setting case, the finding is more robust. Finally, generalisation was not the aim of this research.

4.9.2 Reliability

Reliability should show that the research processes are systematic, rigorous and well documented. Techniques used to address issues of reliability in research include using case study guides or protocols, checking for representativeness, having peer review, use of qualitative data analysis software, and establishing a chain of evidence (Carson et al., 2001; Gibbs, 2002; Miles and Huberman, 1994; and Yin, 2003). In addition, transparency of the research process is an essential and vital dimension in the value of interpretive qualitative research (Carson et al., 2001).

The study was guided by the structured research procedures outlined in Table 5. The same techniques of data collection and analysis were applied to each case to enable comparison to be made. The participants were chosen more because of their relevance to the study than because they were representative. Hence, purposive sampling rather than statistically random sampling was adopted (explained in Section 4.7). Furthermore, given that the sample required participants from a hard to reach population, there would have been too few suitable people

present in a random sample. However, to avoid the pitfall of bias in talking to an unrepresentative sample, the procedure for recruiting followed stringent criteria whereby participants were recruited from different localities. Because of the volume and the nature of the data that emerged, it was both necessary and beneficial to discuss the analysis and interpretation of the data. Discussions were held with research supervisors and peers also conducting qualitative research. These discussions provided objective opinions about the structure and development of the research. With regards to maintaining the chain of evidence, Yin (2003) argues that this is one of the principles to be followed to increase the reliability of information in a case study. He also suggests that a chain of evidence can be maintained either through different sources or by repeated affirmation of feeling. Following Yin's advice, the chain of evidence for this investigation was maintained by noting repeated affirmations during the process of iteration. It is also claimed that qualitative software has the potential to increase the reliability of research findings by making the process of the analysis more systematic and transparent (Gibbs, 2002). To this end, qualitative data analysis software was used and, additionally, every step in the process of the data collection and analysis was described in detail.

4.10 Limitations of Methods

Despite all the care taken to secure the validity and reliability of the study, like any other research, this study has some limitations as well. The very subjectivity of the inquiry leads to difficulties in establishing the reliability and validity of the approaches taken and of the information gathered.

One limitation was that it may be very difficult to prevent or detect researcher induced bias. The concepts of reflexivity may be a way of making qualitative methods accountable. This is generally a matter of questioning how the processes of research and analysis have an effect on research outcomes. This whole process of self-examination has become known as 'reflexivity' (May 1997, Collis and Hussey 2003). The techniques used for checking the quality, described in Section 4.9, can all be seen as ways of encouraging reflexivity since it made the researcher think about her input to the analysis. Comments from independent scrutinisers or respondents (feedback at seminars) also helped the researcher to reflect on and questions the assumptions made during the investigation.

The scope of this study was limited by the use of only a single method for data source and also due to accessibility issues relating to potential data. Further, due to the focus and nature of this research, out of the six data collection methods Yin (2003) suggested for a case study (interviews, documentation, archival records, direct observations, participant observation) interviewing was found to be the only method suitable for this particular study (discussed in detail in Section 4.5). However, other procedures such as in-depth interviewing, use of multiple cases, the use of qualitative software to support analysis etc (discussed in Section 4.9) were used to improve the researcher's understanding of the data.

4.11 Chapter Summary

This chapter described the positivist and interpretive research approaches before going on to explore the interpretivist approach used in this study. An explanation of case study design was followed by details of the interview and questionnaire method used for collecting the data. The exact research procedures were detailed and the four stages used to analyse and interpret

the data were described. The validity and reliability of the findings were discussed. Finally the limitations of the method(s) were presented.

CHAPTER 5 THE TRIADIC RELATIONSHIP

5.1 Introduction

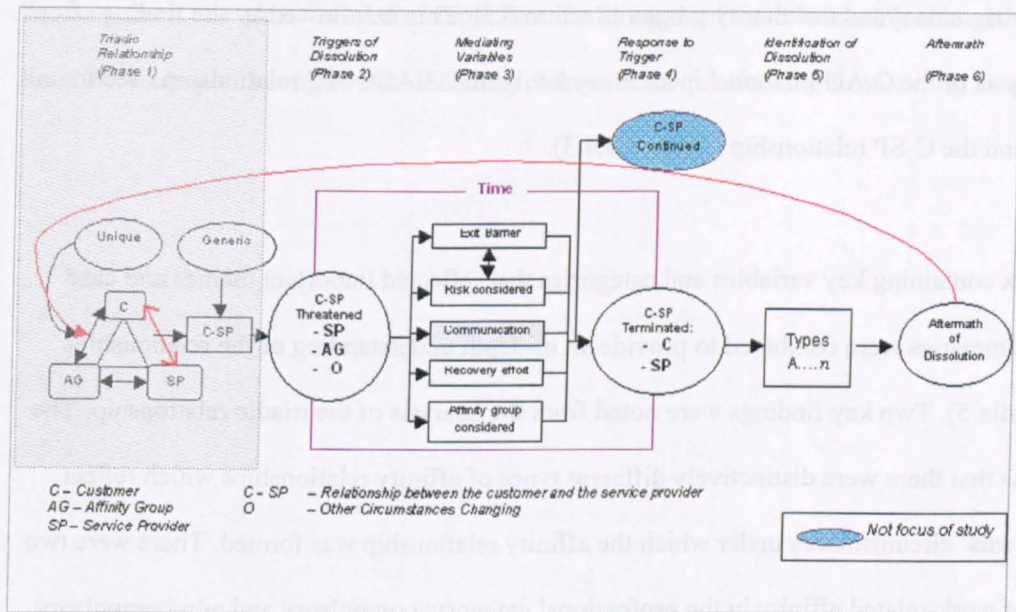


Figure 8: Conceptual Framework for C-SP Relationship Dissolution (Phase One)

The focus of this chapter relates to the nature of the triadic relationship (Phase one), indicated by the shaded area of Figure 8 above. Three research objectives were outlined in the beginning of this thesis (Section 1.1). It was fundamental to understand the nature of the triadic relationship in order to examine the first and second research objectives: to understand the process of C-SP relationship dissolution and to understand the impact the affinity group may have on the process. Chapter 6 discusses Phases 2-4 of the process, whilst Chapter 7 focuses on Phases 5-6 and synthesises the full process. Chapter 7 also address the third research objective: to understand how the dissolution of the C-SP relationship affected the C-AG relationship.

In Phase-one of the conceptual framework, the triadic relationship, it was pointed out that in order to understand the process of dissolution one has to understand the foundation for the relationship. To that end this chapter presents an overview of the affinity groups represented by the professional and the charity groups (Section 5.3). This is followed by the findings from the analysis of the C-AG relationship (Section 5.4.1); the C-ACC-AG relationship (Section 5.4.2); and the C-SP relationship (Section 5.4.3).

A matrix containing key variables and categories that reflected important themes and case study summaries were combined to provide an in-depth understanding of the relationships (Appendix 5). Two key findings were noted from the analysis of the triadic relationship. The first was that there were distinctively different types of affinity relationships which reflect individuals' circumstances under which the affinity relationship was formed. There were two types of work-related affinity in the professional category: compulsory and non-compulsory and there were three types of affinity in the charity category: personal, distant and coincidental. The second key finding was that the C-ACC-AG relationship had an important influence on the C-SP relationship. Before proceeding into a detailed discussion of the findings, first the procedures taken to analyse each relationship will be explained.

5.2 Assessments of the Triadic Relationship

The use of a matrix in the analysis and interpretation of the data was discussed in detail in Chapter 4 (Section 4.8.4). From the main matrix illustrated in Appendix 5, the findings relating to the relationships within the triadic relationship have been extracted and presented in Table 12. The table is divided into four parts. Part one presents the type of relationship participants had with their affinity group. Parts two, three and four present the analyses of the

nature and the strength of the C-AG, C-ACC-AG, and C-SP relationships. Description of how each relationship was assessed follows. Referring to Table 12, under the ‘strength of the C-AG, C-ACC-AG and C-SP relationships’, where two categories are shown with an arrow between them, the arrow is used to show how the strength of the relationship changed over time. For example ‘strong>weak’ indicates change in the relationship from strong to weak.

Table 12: The Triadic Relationship – Assessment for the beginning of the relationship

Pseudonym	Affinity Category	Part 1: Type Of C-AG Relationship	PART 2: C-AG Relationship *Affinity dimensions:						PART 3: C-ACC-AG Relationship			PART 4: C-SP Relationship	
		Involvement with the affinity group	*Communication	*Connecting	*Connecting	*Contribution	*Commitment	Strength of Relationship with the affinity group	Strength of Relationship to affinity group through affinity credit card	Reason for taking out affinity credit card (focus and type of benefit) IF – Individual Functional II – Individual Image GF – Group Functional GI – Group Image	Strength /Nature		
			1	2	3	4	5						
				1	2	3	4	5			1st reason	2nd reason	
James	P	Compulsory	Active	6	5	5	2	5	Somewhat Strong > Weak	Somewhat Strong > Weak	II- AG link	II- status	Indifferent
Linda	P	Compulsory	Active	4	4	4	5	2	Somewhat Strong > Weak	Somewhat Strong > Weak	IF- higher credit limit	II- AG link & status	Indifferent
Brenda	P	Compulsory	Very Active	2	2	2	2	2	Very Strong	Very Strong	II-AG link, status & credibility	IF- insurance	Indifferent
Greg	P	Compulsory	Very Active	7	5	5	6	5	Very Strong > Somewhat strong	Very Strong >Weak	II & IF- AG link, no annual fee, status & credibility	GF- to support AG	Indifferent
Richard	P	Compulsory	Active	5	5	5	5	4	Somewhat Strong	Very Strong	IF- discount, needed a credit card, & II – status	GF- to support AG	Indifferent
Patricia	P	Non-compulsory	Very Active	6	7	7	4	7	Very Strong	Somewhat Strong	IF & II - needed to credit card for balance transfer & Identity	GF- to support AG & GI to promote AG	Indifferent
Sally	P	Non-compulsory	Passive	4	6	6	1	6	Somewhat Strong > Weak	Weak	IF - balance transfer	IF - 0% on purchase	Indifferent
Alice	P	Non-compulsory	Active	3	4	4	2	4	Somewhat Strong	Weak	IF – to build credit rating	IF – to manage business finance	Very Strong > Weak
John	P	Non-compulsory	Very Active	2	5	5	2	5	Very Strong > Somewhat Strong	Somewhat Strong	GF – to support AG	/	Indifferent
Alan	P	Non-compulsory	Very Active	5	5	6	3	5	Very Strong > None	Very Strong > None	IF & II – to support a 4 th party linked to ACC – identity	GF- to support AG & GI -Promoting AG	Somewhat Strong
Kelly	p	Non-compulsory	None	3	4	4	1	3	Weak > No Affinity	Somewhat Strong	other – to support a 4 th party linked to ACC	II – Card seen as a prestigious card	Weak > None
Sophia	P	Non-compulsory	None	4	4	4	1	4	No Affinity	Weak	IF – business decision	/	Weak
Sherry	C	Personal	Very Active	5	6	5	3	7	Very Strong	Very strong >Weak	GF – to support AG	IF - needed a 2nd credit card	Indifferent
Colin	C	Personal	Very Active	3	7	6	1	7	Very Strong > Weak	Very Strong >Weak	GF – to support AG	/	Very Strong
Nigel	C	Personal	Very Active	4	4	3	2	6	Very Strong > Weak	Somewhat Strong	GF – to support AG	IF – tax incentive	Indifferent
Jeremy	C	Personal	Active	6	6	6	4	6	Somewhat Strong	Weak	IF - balance transfer	GF - to support AG	Indifferent
Chloe	C	Personal	Active	4	7	7	4	4	Very Strong	Somewhat strong	GF – to support AG	/	Indifferent
Stuart	C	Personal	Active	6	5	4	2	7	Somewhat Strong	Very Strong > Somewhat Strong	GF - to support AG	IF - good rate & facility	Somewhat Strong > Weak
Caroline	C	Personal	Very Active	7	7	5	7	7	Very Strong	Weak>Somewhat Strong	IF - interest free period	/	Somewhat Strong
Matthew	C	Distant	None	2	6	6	1	5	Weak	Somewhat Strong > Weak	GF – to support AG	/	Very Strong > Weak
Grant	C	Distant	Passive	4	6	4	1	5	Weak	Somewhat Strong	GF – to support AG	/	Indifferent
Michael	C	Coincidental	Passive	6	7	6	2	6	Weak	Weak	IF - balance transfer	GF - to support AG	Indifferent
David	C	Coincidental	None	4	4	4	3	4	Weak	Weak	IF - needed a credit card	/	Somewhat Strong > Weak
Ken	C	Coincidental	None	5	5	4	4	4	Weak	Weak	IF - free gift	IF – needed 2nd credit card	Somewhat Strong

(Source: Matrix -Appendix 5) *Statements relating to dimensions in Section 4.5.3(Table 8) Abbreviations used: P – Professional Group C – Charity Group AG – Affinity Group

5.2.1 Part One: Type of relationship participants had with the affinity group

Part one of Table 12 illustrates the type of relationship each participant had with their affinity group, key features underpinning these relationships are discussed in detail in Section 5.3.

Types of affinity relationships were identified by examining the participant's response to the questions: are you a member or supporter of the affinity group to which your affinity card was related to (questionnaire)? and why did you take out your affinity card (interview)?

Overall five types of relationships were exhibited. There were two types of work-related affinity in the professional group (compulsory and non-compulsory) and three types of affinity in the charity group (personal, distant and coincidental). These relationships reflect the individual's circumstances under which the affinity relationship was formed.

5.2.2 Part Two: The C-AG relationship

In Part two of Table 12, a summary of the strength and nature of the C-AG relationship is presented. The findings are discussed in detail in Section 5.4. As explained in Section 3.2.1.1, the strength was determined by a combination of the participant's expressed views of the relationship the participant's level of involvement with the group and the participant's level of affinity which is based on the affinity dimensions scale completed in the questionnaire (this could be found in Appendix 1, 'Registration form and Questionnaire', Q15).

A participant's level of involvement with the affinity group could vary between very active, active, passive and none. This variation essentially ranged from the participant being fully committed and active to the participant being completely uninvolved. Taking all other factors into consideration, those who were actively involved were likely to have a stronger

relationship with the affinity group and the opposite is likely to be true for those who were passive or uninvolved.

The affinity scale was generated from statements reflecting dimensions of affinity, indicated by statements about communication, commitment, connection, and contribution to the affinity group (detailed discussion in Chapter 4.5.3). These statements were assessed using seven point scales with verbal anchors of ‘strongly disagree’ (1) to ‘strongly agree’ (7).

As explained in detail in Chapter 3 (Section 3.2.1), the strength of the relationships was categorised into four levels (very strong, somewhat strong, weak and none). For consistency, the same categorisation was used to assess all three relationships investigated.

5.2.3 Part Three: The C-ACC-AG relationship

In Part three of Table 12, the salient features that were used for assessing the strength of the C-ACC-AG relationships are presented. The findings are discussed in detail in Section 5.5. A participant’s perception of the benefits his/her affinity credit card had offered and the level of importance he/she attached to those benefits were used to assess the strength of the relationship. Firstly, a distinction was made between the primary and secondary reasons the participant took out the affinity credit card. These reasons were then classified under four distinct categories of affinity product benefits, by focus and type of benefit: (i) individual functional-IF, (ii) individual image-II, (iii) group functional-GF and (iv) group image-GI. These categories were based on ‘a typology of affinity product benefits’ introduced by

Mekonnen et al. (2008) discussed in Section 3.2.1. These benefits helped to understand the nature of the C-ACC-AG relationship. In addition, the respondent's report of the overall relationship was used to assess the strength of his/her C-ACC-AG relationship.

5.2.4 Part Four: The C-SP relationship

Finally, in Part four of Table 12, a summary of the participants' strength of the C-SP relationship is presented (findings discussed in detail in Section 5.6). Strandvik and Liljander (1994) suggested that relationship strength is a multidimensional measure consisting of relationship commitment and relationship loyalty. Taking this view into consideration the assessment took note of the participant's interactions with the service provider, his/her opinion of the service provider and other indicators of commitment and loyalty in forming the overall assessment (discussed in detail in Section 3.2.1.3). In addition the participant's general views on the relationship were noted.

5.3 Overview of the Affinity Groups in the Triadic Relationship

For comparison, the research started by investigating two types of affinity groups, the professional group and the charity group. However, detailed investigation of each group, showed some differences within the groups, owing to the individual's circumstance and / intentions when forming the affinity-relationships. This led to the identification of further sub-categories. In the professional group, the compulsory group demonstrated mandatory membership with the affinity group, and non-compulsory group indicated optional membership to the affinity group. For the charity group, the sub-categories - personal, distant and coincidental reflected the participant's intention when forming the affinity relationship.

5.3.1 Professional Affinity Groups

As noted in the literature, the professional group refers to professionally - based groups, such as doctors, lawyers and dentists, whose source of affinity was their professional affiliation.

Furthermore it was assumed that individuals in these groups may benefit directly from the affiliation through networking, status, professional advancement, or other types of recognition (Macchiette and Roy 1992, Mintel 2004).

In professions such as accountancy and law, membership with the association or institute that oversees the profession is obligatory in order to practice in the field. Those participants associated with the affinity group through such a requirement were identified by the term '*compulsory*' to demonstrate the mandatory nature of their relationship with the affinity group. In contrast, where the participants had joined an association or an organisation that supports, administers and/or oversees the profession but where the membership to the group was not a requirement to practice in that profession the participants were identified by the term '*non-compulsory*'.

The professions represented include finance, law, engineering, health and education related fields. Overall five of the participants in the professional group had a compulsory tie with their affinity group and seven had a non-compulsory tie with their group. Table 13, illustrates the respective relationship each participant had with the affinity group.

Table 13: Type of C-AG Relationship for the Professional

Pseudonym	Part 1: Type of C-AG Relationship
James	Compulsory
Linda	Compulsory
Brenda	Compulsory
Greg	Compulsory
Richard	Compulsory
Patricia	Non-compulsory
Sally	Non-compulsory
Alice	Non-compulsory
John	Non-compulsory
Alan	Non-compulsory
Kelly	Non-compulsory
Sophia	Non-compulsory

(Source: Table 12)

An important point the analysis revealed was that, for four of the participants from the non-compulsory group (John, Alice, Sophia and Kelly) the relationship they had with their affinity group was not directly associated with their professions. Hence they did not share a professional interest with the affinity group. Moreover, apart from Kelly, whose connection to the affinity group was through an administrative or supportive role she had at the organisation, the rest were all self-employed with small businesses, which they owned or co-owned. John, Alice and Sophia were also alike because they were linked to a particular affinity group whose interest was to support small businesses. Further, Sophia was detached from the affinity group, more than the other three participants were, because she became aware of the affinity group only after her company had subscribed the affinity card for her.

5.3.2 Charity Affinity Groups

In the literature, charity groups are described as those who share a common cause, ideology or value system. In this investigation, based on the nature of the relationship a participant had with his/her group, he/she was categorised further under the groups *personal*, *distant* or *coincidental*.

Personal refers to a relationship with the affinity group being of a personal nature or motivation. For example, a participant may support and be an active member of a medical health-related charity because a family member is affected by that condition. Other examples could be where a participant may simply be motivated by the notion of say, protecting the environment and decide to get involved with such a group.

The term *distant* is used to describe a participant's relationship with the affinity group where the degree of commitment was low. For example, the participants in this group took out their affinity credit cards to support the group, but other than that they did not think about the relationship at any great length and they were not inclined to develop the relationship further. As such their involvement with the group was minimal.

Coincidental refers to a relationship that was formed with the affinity group by chance. This implies that such a relationship may not even have occurred or been considered by the participant, had he/she not come across the group by chance through a third party. An individual may have come across the affinity group whilst seeking the service of another organisation. For example, a participant looking for a credit card or financial incentives such as lower APR and reward points may come across a financial institute that was promoting an affinity card with the required incentives. In this case the individual may feel that being part of the affinity card scheme would be an added benefit since he/she would be able to support the group as well as having the financial incentive.

Overall, as illustrated in Table 14, seven participants had a personal relationship, two had a distant relationship and three had a coincidental relationship.

Table 14: Type of C-AG Relationship for the Charity

Pseudonym	Part 1: Type of C-AG Relationship
Sherry	Personal
Colin	Personal
Nigel	Personal
Jeremy	Personal
Chloe	Personal
Stuart	Personal
Caroline	Personal
Matthew	Distant
Grant	Distant
Michael	Coincidental
David	Coincidental
Ken	Coincidental

(Source: Table 12)

A wide array of groups such as environmental, children and wildlife charities could be included under the charity group (Mintel 2004). The participants represented diverse charity affinity groups. Overall, eight different charities were represented through the affinity credit cards that were held by the participants. Such a varied sample allowed for different contextual views to be explored. The groups were mainly related to either causes linked to helping people or causes linked to protecting wild life. Out of the twelve participants in the charity category, six had an affinity credit card related to supporting wildlife, one had an affinity card related to human rights issues, and the remaining five had affinity cards related to supporting charities associated with medical health. Details for each participant are included in the individual's case study summary.

In affinity marketing, it is assumed that customers have a unique/or an existing relationship with the affinity group, which the service provider leverages on, to market its product (Macchiette and Roy, 1992 and Worthington and Horne, 1996). It suggests that some consumers take out an affinity card as an extension of their existing relationship with the group and the service providers promote affinity marketing in an attempt to build their

customer base, improve their C-SP relationship and to differentiate their products. Contrary to this assumption, the findings have demonstrated that a unique and /or an existing relationship are not always present. This was more evident in the charity category with the participants whose relationship was coincidental and in the professional category, where some of the participants from the non-compulsory group were in a profession, which was not directly related to their affinity group. With knowledge of the different types of affinity relationships, the C-AG, C-ACC-AG and the C-SP relationships were investigated in detail, to understand the process of dissolution better.

5.4 Customers' Relationship with the Affinity Group

The summary of finding relating to C-AG relationship, in Part 2 of Table 12, is divided into three sections: i) the participants' level of involvement with the affinity group, ii) the participants' response to the affinity scale questionnaire and iii) the overall assessment of the strength of the C-AG relationship.

5.4.1 Participants' Involvement with the Affinity Group

From Table 12 it was clear that overall the majority of the participants used to be actively involved with the affinity group (professional = 9, charity = 7). For the remaining participants, three were passive (professional = 1, charity = 2) and the rest reported that they were not involved at all (professional = 2, charity = 3).

In the professional category, the participants who were actively involved used to or still participated in the group meetings, two used to be a member of an organising committee for events such as seminars, group discussions and social activities. In comparison the less active participants tended to be just occasional attendees or followers of such events. Similarly in the

charity category, the level of activity ranged from very active participation involving the participant organising charity events and volunteering, to a less active participation where the individual just attended group related events. Following group activities through newsletters and the Internet also demonstrated a less active involvement and these were noted in the professional and the charity category. The following quotations are examples of the level of involvement some of the participants had with their affinity groups. The table beneath each quotation shows the key features that were used in assessing the strength of the C-AG relationship at the beginning of the relationship. In the first example, Chloe explains the nature of the personal relationship she had with the charity group and how she was quite active in the functions that the group held:

“I was quite interested, because my father died of cancer. I would always support cancer charities and I was already involved, I was involved as in I would go to their functions things like that, I was already supporting the group.” [Nvivo-LNDChar1 Parag.15]

	Type of relationship with the affinity group	Involvement with the affinity group	Strength of affinity
Chloe (Charity)	Personal	Active	Very strong

In the second example, Greg describes his activities with his group.

“I was in their committee at one time. I used to go to the committee meetings for the X affinity group in ‘X’ (location). I used to go to regular meetings, committee meetings, meetings to discuss going forward studies, on how the junior ‘X’ (job position) would study, or how they are supposed to study new projects. I used to organise what they call continual learning practice in other words, to make sure that the ‘X’ (job position) when they got qualified they did not just go to sleep and just go into their boxes. They have to be aware of changes in the ‘X’ legislation generally, so I used to organise lectures.”

[Nvivo-LNDProf5 Parag.48-56]

	Type of relationship with the affinity group	Involvement with the affinity group	Strength of affinity
Greg (Professional)	Compulsory	Very Active	Very strong

Although Chloe’s and Greg’s reasons for involvement and the degree and nature of their involvement varied it was clear that both were actively involved with their affinity groups.

As shown in Table 12, some of the participants (eight) were either passive or not active at all. Sally from the professional category and Grant, Michael and Ken from the charity category all acknowledged the importance of the affinity group, but they were not keen enough to get involved with the group. In contrast Kelly, Sophia, Mathew and David made it clear that they never had any interest in or involvement with the group. The quotations below show how some of the participants described the low level, or lack of involvement they had with their affinity groups. In the first quotation, David's description of the relationship he had with the affinity group indicated that he had no involvement with the group:

"It is kind of like the only time I was reminded about the charity was when I got the card out."
[Nvivo-NOTChar Parag.332]

	Type of relationship with the affinity group	Involvement with the affinity group	Strength of affinity
David (Charity)	Coincidental	None	Weak

Grant was assessed as being passive because, even though he was generally concerned for the group, the extent of his involvement did not go beyond giving through the affinity card:

Interviewer: "Were you involved in any other way or did you support them in any other way?"
Grant: "No, no just generally apart from being concerned about wild life in general and about the way the planet is going and anything sort of to save wild life seems to me like a good thing"
[Nvivo-GLAChar2 Parag.28-30]

	Type of relationship with the affinity group	Involvement with the affinity group	Strength of affinity
Grant (Charity)	Distant	Passive	Weak

Next the participants' response to the affinity dimensions scale is presented.

5.4.2 Participants' response to the Affinity Scale

To a large extent the responses to the statements in the questionnaire were consistent with the findings from the interview. But in some cases the response was not consistent with what the participants reported at the interview. One reason was because the participants' response to the

statements reflected their feelings or circumstance at the time the data were collected where as the interview examined both the past and the present (investigating the nature of the relationship from beginning to end). Given that the interview was in-depth and involved probing and clarification, the data sourced from the interview was used as the main source of data and the response from the questionnaire was used to support and substantiate the interview. To recap very briefly, the statements were assessed using seven point scales with verbal anchors of ‘strongly disagree’ (1) to ‘strongly agree’ (7).

In the professional group, the nine (out of ten) participants assessed as having a very strong or a somewhat strong C-AG relationship had also agreed with most of the affinity statements, scoring the statements four or above on the affinity scale. In contrast one (out of two) participant assessed as having a weak C-AG relationship was more in disagreement with three of the affinity statements (score 3 or below on the affinity scale). For the remaining two, Brenda and Sophia, their response to the questionnaire was not consistent with interview data.

In the professional group for the cases where the response for a particular dimension of affinity was inconsistent with the overall assessment, with the exception of Brenda and Sophia, there was an explanation as to why the interview data took. For example, Alice, John and Alan disagreed with the statement relating to contribution (score 3 or below on the affinity scale) and this is not consistent with the level of their involvement (active / very active) and the strength of their C-AG relationship (somewhat strong / very strong). But the reason behind this inconsistency was that these participants were no longer members of the affinity group. Because of this, their response to the statement in the questionnaire reflects their circumstance

at the time the data were collected, whereas the overall assessment reflects the period before they ended their membership.

Another example is James and Linda's cases, whose overall assessment reflects a strong C-AG relationship and active involvement with the affinity groups, but in the questionnaire, these two disagreed with the affinity statements relating to commitment and / contribution (score 2 or below on the affinity scale). In these cases the participants have indicated that their commitment to the group had weakened over time and that they did not feel that the group needed their financial support.

Finally, Alice and John were more in disagreement to the affinity statement which related to communication (score 3 or below on the affinity scale) because the affinity group was not directly related to their profession.

In the charity group, overall the majority of the participants agreed with the affinity statements relating to communication, connection and commitment, and disagreed with the affinity statement relating to contribution. For the seven of the participants who were assessed as having a very strong or a somewhat strong C-AG relationship, the inconsistencies between the response to a particular dimension (affinity statement) and overall assessments can be explained. For example, Sherry, Colin, Nigel, and Stuart disagreed with the affinity statement relating to contribution (score 3 or below on the affinity scale), but overall, they were assessed as being actively involved with the group and as having a strong C-AG relationship. The reason for this inconsistency was that these participants either no longer supported the affinity group or were referring to their present contribution to the group through their affinity card and/or other means when they responded to the questionnaire. Thus their response to the affinity statements in the questionnaire only reflects their C-AG relationship at the time the

data was collected, whereas the overall assessment reflects their relationship in the past and the present.

The five participants with weak C-AG relationship also strongly agreed with most of the affinity statements. However these participants were assessed as having a weak C-AG relationship because of the type of affinity relationship they had (distant/coincidental – which did not change over time) and because of the level of their involvement with the group (none or passive). In the charity group Ken's response to the statement which relates to contribution (score of 4) was the only one that was inconsistent with the data from the interview, which could not be explained.

Having examined two of the key indicators for the strength of the C-AG relationship, the participants' level of involvement with the affinity group and participants scores relating to the dimensions of affinity, the next section presents the assessment of the strength.

5.4.3 Strength of the C-AG Relationship

On the whole the participants' level of involvement and scores for the affinity statements were found to be good indicators of the strength of the C-AG relationship. Furthermore, as explained in the previous section, for the majority of the cases the scores relating to the dimensions of affinity were consistent with the participants' levels of involvement with the group and the participants' overall views of the relationship.

By and large, the participants who were actively involved with the affinity group and had agreed with the affinity statements were assessed as having a very strong or a somewhat strong

C-AG relationship. Conversely, the participants who were passive or not involved at all with the group and might have disagreed with some of affinity statements were assessed as having a weak C-AG relationship. However there were some cases that did not follow this general guide. For instance a participant who did not agree with most of the affinity statements could have been assessed as having a strong relationship following the detailed information collected at the interview, and the opposite would be true for some of the participants assessed as having a weak C-AG relationship. Some of this inconsistency has already been discussed in the previous section.

Overall, the majority of the participants had either a very strong or a somewhat strong affinity towards their group (professional = 10, charity = 7). For the remaining participants, six had a weak affinity (professional = 1, charity = 5) and one participant from the professional group was assessed as having no affinity.

The examples that follow are from participants who were assessed as having a strong affinity and illustrate the individual's views of the relationship. Alan's positive view of what his affinity group represented at the time and his aspiration to get more involved with his group demonstrated that he had a very strong C-AG relationship. This was also reflected by his agreement with the affinity statements (score of 5 and above for four of the statements):

“The ‘x association’ was a smaller organisation and I suppose the idea of having a ‘X type of affinity group’ is collectivism, people being together standing up for issues together. And there were some quite important things going on in ‘x’, which I wanted to get involved in and share.” [Nvivo-BRSPProf3 Parag.91]

	Type of C-AG relationship	Involvement with the affinity group	*Statements & Score					Strength of Affinity
			1	2	3	4	5	
Alan (Professional)	Non-compulsory	Very Active	5	5	6	3	5	Very strong > None

*Full statement in Section 4.5.3(Table 8)

Looking at a different case, the next quotation demonstrates the extent to which Jeremy supported the group. Jeremy was keener in making financial contributions since he felt that he did not have the time to get involved in the group's activities. This was also reflected by his score for the affinity statement relating to the dimension 'contribution' (score = 4):

Interviewer: "How did you hear about 'X – affinity group?'"

Jeremy: "We actually got a dog from the 'X' at the dogs' home about ten years ago and about eight year ago when we got married the little dog died. My wife was upset, so we set up a donation for 'X'. So that's how we first got involved."

[Nvivo-BRSCar1 Parag.11]

	Type of C-AG relationship	Involvement with the affinity group	*Statements & Score					Strength of Affinity
			1	2	3	4	5	
Jeremy (Charity)	Personal	Active	6	6	6	4	6	Somewhat strong

*Full statement in Section 4.5.3(Table 8)

Further support for the assessments above can be found in the individual case study summaries included in Appendices 7 to 9.

Of the participants with weak or no-affinity, the majority (five out of seven) were not involved with the group and the remaining two were passive. Although these participants agreed with most of the affinity statements, they were assessed as having a weak C-AG relationship owing to their views of the relationship and because of their lack of involvement with the group. For example, Matthew's description of how he supported the group and what his minimal support meant to him shows that his C-AG relationship was weak despite the fact that he agreed with three of the affinity statements. Further the data showed that the affinity card was Matthew's only connection with the affinity group. He was introduced to the affinity group through an affinity card that was linked to the group, which his bank was promoting at the time:

"It was really a little bit of feel good for us that was all there was to it. It was I think, I suppose, soap to our conscious that we are actually doing some charity work here, whilst we are having a good time in the restaurant spending all this money.

[Nvivo-GLAChar1 Parag.42]

	Type of C-AG relationship	Involvement with the affinity group	*Statements & Score					Strength of Affinity
			1	2	3	4	5	
Matthew (Charity)	Distant	None	2	6	6	1	5	Weak

*Full statement in Section 4.5.3(Table 8)

In the next example, Michael described how a personal financial incentive led him to take out the credit card, which, also happens to support an affinity group. Thus his support was coincidental and the card was the only way he was involved with the group. Therefore even though he agreed with four of the affinity statements the strength of his C-AG relationship was weak.

“I think it was advertised on the Internet. I go onto you know, youswitch.com? You go to different sites when you search for deals and stuff, I often use them. It is a web site basically with alternatives for your current situation and it is sort of like, you can put in a criterion, and it gives you results based on that criteria, say it could be if you are changing, gas, electricity, credit cards, or loans. So any type of service is provided, it is aimed at that. That is how I obtained it. I saw about the card, I saw that it was a good deal as a credit card and I thought that ‘X- affinity group’ is also a good organisation, so I do like animals, dogs, things like that. So I thought, for every time I spend hundred pounds on this card, 25p goes to the ‘X’ so I thought that is quite good”

[Nvivo-NOTChar4 Parag.19]

	Type of C-AG relationship	Involvement with the affinity group	*Statements & Score					Strength of affinity
			1	2	3	4	5	
Michael (Charity)	Coincidental	Weak	6	7	6	2	6	Weak

*Full statement in Section 4.5.3(Table 8)

The only participant who claimed to have no affinity with the group was Sophia. She explained that she had no involvement with the group apart from having used a credit card endorsed by them, for her business transactions. Further, since she was not the one who subscribed to the card for their organisation, she did not know the extent of involvement the company had with the group. Moreover she reported that she did not have interest in or detailed knowledge of the affinity group.

In the professional category, apart from Kelly and Sophia who had no involvement with their affinity groups, there was no major difference noted between the participants from the compulsory group and those from the non-compulsory group.

For the charity category the type of relationship the participants had can be related to the strength of the C-AG relationship. There were distinct differences between those who had a personal relationship and those who had either a distant or a coincidental relationship with their groups. All the participants who had a personal relationship with their affinity groups were also actively involved and had agreed with most of the affinity statements. Subsequently, after examining their full story, these participants were all assessed as having either a very strong or a somewhat strong affinity for their group. In contrast, all those who had a distant or a coincidental relationship were either passive or not active at all. Moreover, it was established that whilst those with a distant relationship had a somewhat strong affinity, those with a coincidental relationship had a weak affinity with their affinity groups. However, regardless of the fact that some of these participants had agreed with most of the affinity statements they were assessed as having a weak C-AG relationship given the depth of the additional information collected at the interview.

5.5 Customers' Relationship with the Affinity Group through the Affinity Card

Part 3 of Table 12 presents a summary of the reasons why the participants took out the affinity card and assessment of the strength of the C-ACC-AG relationship. There was evidence to show that some of the participants took out the affinity card as an extension of the financial or other form of support they gave to the group, or as an extension of the membership they had with the group. Here the affinity card was seen as providing a strong link to the group. However in some cases regardless of the strength of the C-AG relationship, the card was not seen as providing a strong link to the group. In addition in some cases the affinity card was the centre of the relationship participants had with the group because it was the only way the participants were connected with and/or supported the group.

The main differences noted in the analysis were within the professional and the charity category. In the professional category all the participants with compulsory membership had a strong C-ACC-AG relationship. In the non-compulsory group, four out of seven, had a very strong or a somewhat strong C-ACC-AG relationship and the remaining three felt they had a weak C-ACC-AG relationship. For the charity category, all the participants who had a personal or a distant relationship were assessed as having a strong C-ACC-AG relationship. In contrast, all three participants with coincidental relationship had a weak C-ACC-AG relationship.

When participants' reason(s) for subscribing to the affinity card were examined in-depth it was evident that some of the participants had more than one reason for taking out the affinity card. The majority of these participants were from the professional category (professional = 10 and charity = 5). Where the participants had more than one reason primary and secondary reasons were noted. Overall, it was found that the majority wanted to gain from the individual benefit that the card had offered.

Referring to Table 12 again, focusing on the primary reasons, for sixteen of the participants (professional=10 and charity=6), individual benefit(s) was the reason for the initial adoption and subsequent utilisation of the affinity card. *Individual-functional* benefits were noted in both the professional and the charity groups, whilst, *individual-image* related benefits were only present amongst the participants in the professional group. The professional participants who had placed emphasis on the *individual-image benefit* (personal-symbolic value of the card) were found to have a very strong or a somewhat strong C-ACC-AG relationship. For those whose primary reasons were focused on supporting the group (*group-functional benefit*),

the C-ACC-AG relationship was considered to be very strong or somewhat strong. On the other hand for the participants for whom the primary reason was *individual-functional* benefit, with emphasis on the functional nature of the card, the C-ACC-AG relationship was weak. Going back to the assessment of the C-AG relationship - the responses to the affinity statement which relates to communication, two-thirds of the participants had agreed with this statement (scoring it four or above). Yet, only a third of the participants actually mentioned 'image' (group and/or individual) as one of the main reasons they took out the card.

Some of the common individual-functional benefits included: zero percent offers on balance transfers and spending; the card's being a link to the affinity group and needing a credit card. Individual-image benefits included: the perceived credibility or status the card provided and the perceived show of identity through the card. The individual-functional benefits reported were similar in both the professional and charity categories. The following are examples of some of the common individual benefits reported by many of the participants. Caroline took out the card to benefit from its interest free period:

"I remember there was a big display, and I was approached. Obviously at the beginning it was naught percent and the rates were quite low on new purchases as well. And that's why I swapped, and when it came through I thought, oh I haven't seen that before and I know 'A' did not do it and I know 'B' (*A & B refer to her previous service providers*) did not do the affinity. And I had only changed one because I paid off the card. It was a bill I did not want to have but then again, it was coming up to Christmas, and I thought maybe I should have the card, and it was 'B's card they were advertising interest-free for up to 2007, which I thought was very good"

[Nvivo-BRSCar3 Parag.67]

	Strength of C-ACC-AG Relationship	Reason for taking out affinity credit card		Nature of relationship through the affinity card
		1 st reason	2 nd reason	
Caroline (Charity)	Somewhat Strong >Strong	Interest free period		Individual functional

Linda's primary and secondary reasons were also individual benefits. For Linda the link that the card provided varied depending on her situation. Linda explained, she was not

comfortable using the card when she was amongst friends, but keen using the card when she was accompanied by clients:

“In some places to be fair if I was in a posh restaurant and I was taking clients out for lunch or something and you know if I want to feel a bit more important or something I will probably take the ‘x’ credit card out, you can use it to your advantage if you could. But I don’t use it for any personal kind of kudos.”

[Nvivo-LNDProf1 Parag.110]

	Strength of C-ACC-AG Relationship	Reason for taking out affinity credit card		Nature of relationship through the affinity card
		1 st reason	2nd reason	
Linda (Professional)	Strong & Weak	Higher credit limit	Status, affinity group link	Individual functional and Image

Richard and Alan from the professional group also reported similar reasons to Linda with regard to the symbolic value (individual-image related benefit) of the card. In the examples above, although Linda and Caroline had different reasons for being attached to their groups, it was noted that both placed high emphasis on the individual benefits that enticed them to take out the card.

With regard to group benefits, nearly all of the participants who indicated this as the primary reason they took out the affinity card (professional = 1, charity = 7) reported that they wanted to support the affinity group through the financial donation that the card facilitated to their groups (group-functional benefit). Only two participants, both from the professional category, reported group-image related benefit, as a secondary reason. The notion of support was more evident in the charity category and this was articulated by nine of the participants either as primary reasons (seven participants) or as a secondary reason (two participants). The following examples demonstrate different types of group-functional benefits reported by some of the participants. John, who has a somewhat strong affinity, explained that he only took out

the card because the group approached him for his support and he felt that it was a good organisation:

“The card was one of the things that came later, they wrote to me about it later. And I think I have been a member for about a year then. They wrote to me and said we have got a special deal on this credit card. It’s free to you and every time you use it we get money from the operator, and so I thought sure, why not but then again, I didn’t really have a need for it and I found that I was not using it”

[Nvivo-BRSPProf2 Parag.40]

	Strength of C-ACC-AG Relationship	Reason for taking out the affinity credit card		Nature of relationship through the affinity card
		1 st reason	2 nd reason	
John (Professional)	Somewhat Strong	Support affinity group		Group functional

In Nigel’s case primarily he wanted to support the group financially, additionally he was also able to gain from the tax break he got (individual-functional benefit). At the time, for Nigel the card provided a strong link to the group.

“Actually I have been a member of the ‘x’ for quite a number of years, and you get quite a lot of bumf and I have been a member of quite a few organisations so, and one of the things was that they had a credit card which helped to support the organisation and I was a keen, very strong supporter of the ‘x’ and so that was the reason why I had the card to use. I thought as well as getting tax incentives I will get the ‘x’ card to help them out.”

[Nvivo-NOTChar3 Parag.19]

	Strength of C-ACC-AG Relationship	Reason for taking out the affinity credit card		Nature of relationship through the affinity card
		1 st reason	2 nd reason	
Nigel (Charity)	Very Strong	Supporting group	tax incentive	Group functional & Individual functional

5.6 Customers’ Relationship with the Service Provider

A summary of the participants’ strength/ nature of the C-SP relationship is presented in Part 3 of Table 12. When the conceptual framework was developed, the intention was to use a standard categorisation: very strong, somewhat strong, weak and none to describe the strength of all the relationships within the realm of this study. For ten of the participants, the C-SP relationships varied between very strong and weak. However, for the remaining fourteen participants, the C-SP relationship could not be described accurately by the standard

categorisation. The literature has shown that in retail banking customers may have a strong, a weak relationship, or sometimes customers may be indifferent (Liljander and Strandvik, 1995). Such customers showed lack of commitment to the service provider and they conducted most or all of their transactions through automatic teller machines or through payment services.

From the data it was evident that the majority (fourteen) of the participants felt indifferent with respect to their C-SP relationship. Therefore the term ‘indifferent’ was assigned to the participants who expressed indifference and indicated that their relationship with their service providers was neither strong nor weak. Most of these participants were content or satisfied with the service delivery. However, they did not pay much attention nor respond to most of the communications they received from the service provider. Moreover, they were only interested in how well and efficiently their affinity card account was managed. On the whole they viewed the service as ‘the standard’ that should be expected from retail banking. In this research the participants who expressed indifference reported that they had minimal interaction with their service providers. These participants also indicated that they did not feel committed to the C-SP relationship, often, their primary interest was to secure the best deal for themselves. Thus the opportunity for a strong relationship developing between the participant and the service providers was limited. These participants did not have a negative view about the service provider and for this reason it can not be said they had a weak relationship either. For example, Brenda described the relationship she had with the service provider as ‘standard’ and hence assessed as having an indifferent C-SP relationship:

“It was pretty straight forward: you just call, speak to someone, give your account number, you ask them and they would just ask how much was it and just check through your transactions and tell you exactly what it was and what date but it wasn't any different from any other credit card.....it was a standard quite stable standard service.”

[Nvivo-LNDProf2 Parag.426]

	Type of C-AG relationship	Strength / Nature of C-SP Relationship
Brenda (Professional)	Compulsory	Indifferent

The examples that follow also shows John's and Jeremy's impartial views of the nature of their C-SP interaction which indicates the indifference they had towards their service providers. John distances himself from the service provider, when he was asked to comment on the service and his interaction with them, his commented:

“They sent me a statement I sent them a cheque. End of story”

[Nvivo-BRSPProf2 Parag.323]

	Type of C-AG relationship	Strength / Nature of C-SP Relationship
John (Professional)	Non-Compulsory	Indifferent

Jeremy chose to describe just the transactional nature of his interaction with his service provider. Overall, he did not feel that he had a strong or weak relationship with the service provider:

“Yes, yes in both. It was easy, to open and close there was no inconvenience, mistake or any problem objections hassles if you know what I mean either way it was a clean process and during the time I had a card. It was fine there was never any problem with the account. Everything was fine, the administration was perfect”

[Nvivo-BRSCar1 Parag.249]

	Type of C-AG relationship	Strength / Nature of C-SP Relationship
Jeremy (Charity)	Personal	Indifferent

Several other participants made similar comments with emphasis on just the efficiency of the transactional aspect of the C-SP relationship (a summary of the individual case studies and details of the assessment is included in Appendices 7 to 9).

Considering the remaining ten participants, eight had a very strong or a somewhat strong C-SP relationship and two had a weak C-SP relationship. For example, overall Ken felt the service provider showed consideration towards him during the time he held the affinity card.

The service provider called him three to four times a year to update him with new products and to check if he was generally happy with the service. Ken perceived this as high level of customer care and appreciated the service provider's effort. Thus, Ken's higher expressed loyalty (indicator of strong loyalty) and positive word of mouth (indicator of strong commitment) show that he had a strong C-SP relationship.

Ken: "In my dealings with them, they have always been very helpful. Every now and again, they would ring and ask if I needed any loan or any thing or whatever.

Interviewer "how frequently would they contact you?"

Ken: "I would say probably two or three times a year I would think maybe more, it might be more..... They have always been very polite"

[Nvivo-BRSCar2 Parag.125-129]

	Type of C-AG relationship	Strength / Nature of C-SP Relationship
Ken (Charity)	Coincidental	Somewhat strong

In the next example, similar to Ken, Alan describes an interaction he had with the service provider, which he was pleased with. This is an example of the positive impression a customer may derive from an excellent service delivery and such positive word of mouth indicates stronger commitment.

"..I think I remember having a balance came, which got lost behind paperwork and the next balance came showing that they have charged me because I hadn't paid the minimum payment for the month. So I had to contact them and explain what had happened they cancelled the payment and they were quite good about the whole thing and informed me that if it happened again obviously they would have to charge me, but on that occasion, they were quite good on the phone."

[Nvivo-BRSPProf3 Parag.289]

	Type of C-AG relationship	Strength / Nature of C-SP Relationship
Alan (Professional)	Non-Compulsory	Somewhat Strong

In addition to demonstrating the nature and strength of the C-SP relationships the analysis brought forth two key points relating to the value customers attached to the C-SP relationship. Firstly, most of the participants placed high importance on the core service that the card had provided (generic features of the credit card). Secondly, the fact that the affinity card was

endorsed by the affinity group had considerable influence on the perception that some of the participants had of their service providers.

It was evident that the majority of the participants placed high importance on the core service. As such, when it came to making major financial decisions, what many of the participants considered first and foremost, was the competitiveness of the core service. The differentiation or added value that the card provided through its link to the affinity group was often seen as a secondary benefit. Furthermore, there was a tendency for participants to detach the affinity group from the service provider when it came to making decisions concerning what benefited them the most. This point also relates to the emphasis placed on individual-functional benefit that was discussed in the previous section on C-ACC-AG relationship (5.4.2). For example Stuart's report of how the affinity group led him to the service providers was a common view shared by a number of participants. In Stuart's case he detached himself from the affinity group when re-considering his finance, at a later stage:

"I am more likely to stick to the place that would give me the best rate, which gives me the most flexibility, the most longevity and all that kind of ties together. So I think on one hand, the affinity it was kind of a key for me to take out the card in the first place. Part of that was that I think now that I have gotten older. I may have sold out a little bit (laughter) and I want to kind of look after me too. If I could combine them both that would be nice, but I think what I am going to have to do now is look after number one. It is a terrible thing to say but sometimes you have to."

[Nvivo-GLAChar3 Parag.227]

With regards to the second point, the influence of the affinity group's endorsement, many participants acknowledged that the affinity card provider stood out from others because it had a partnership with an affinity group and because its services/products were endorsed by the affinity group. Some of the participants reported that the endorsement gave the service provider more credibility. The example that follows illustrates how Linda's decision to sign up with this particular service provider was mainly influenced by the affinity group endorsing it.

In fact when questioned about the service provider, initially Linda was not sure who the service provider was. She fully relied on her affinity group's judgement in partnering with a credible service provider:

"I suppose it made me trust them. I didn't even think about it. I thought it must be okay... because I suppose they would have to go through a number of standards high standards to endorse an institution or a product."

[Nvivo-LNDProf1 Parag.384-388])

On the whole there were no notable differences or similarities between or within the charity and the professional groups. Overall, the findings in this section on C-SP relationship showed that the exchange that participants had with the service provider was mainly determined by the core service (generic features) rather than the link or added value the affinity card provided (unique features). Similarly, Mintel (2004) has shown that price (individual-functional benefits) is one of the key determinants in the purchase decision of affinity cards. Moreover, in support of the findings in this thesis, Mintel has also indicated that being a member of the charity or the organisation was less of an influence in affinity purchase. However, the endorsement of the card by the affinity group did have a positive impact on how some of the participants perceived the service provider.

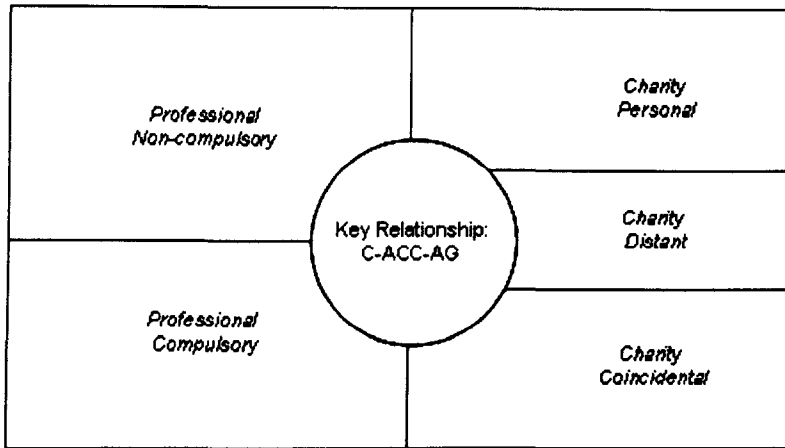
5.7 Chapter Summary

This chapter explored the nature and the strength of the C-AG, C-ACC-AG and C-SP relationships and any inter-relations between them. It was fundamental to understand these three relationships wholly to address the first two research objectives: to understand the process of the C-SP dissolution and to understand the mediating role of the affinity group in the process.

Phase one of the conceptual framework started off with the assumption that the C-AG relationship may have an important role in the development of the C-SP relationship. This was based on the assumption that the C-SP relationship was formed as a result of the existing relationship customers might have with the affinity group. However, the analysis showed that this was not always the case. In some of the cases examined there was no association between the C-SP and the C-AG relationships. Consequently, there may not be a distinct or direct link between the strength of the C-AG and that of the C-ACC-AG relationship. For most of the cases investigated, although the C-AG relationship was instrumental in the development of the C-SP relationship, the C-ACC-AG relationship was the one that had more impact in the development of the C-SP relationship. This was because of the importance that the participants placed on the functional, symbolic and or supporting role the affinity card was perceived to have. This was the case for both the charity (personal, coincidental and distant) and the professional (compulsory and non-compulsory) groups.

The key findings discussed in this chapter are illustrated in Figure 9 below. The first key finding was the importance of the C-ACC-AG relationship. This relationship is represented in the diagram by the inner circle to show that it was the key determinant in the development of the C-SP relationship. The second key finding was the variation within the charity and the professional category, which is shown outside the inner circle in the diagram. The sub-categories within each group are personal, distant and coincidental for the charity group and compulsory and non-compulsory for the professional group.

Figure 9: Key relationship influencing the C-SP relationship



Finally, with the analysis and interpretations of the triadic relationship noted (Phase 1 of the conceptual framework), the next chapter will address what triggered the process of dissolution, the role of the mediating variables and the response to the triggers (Phases 2 to 4 of the conceptual framework).

CHAPTER 6 TRIGGERS OF DISSOLUTION, ROLE OF MEDIATING VARIABLES AND RESPONSE TO TRIGGERS

6.1 Introduction

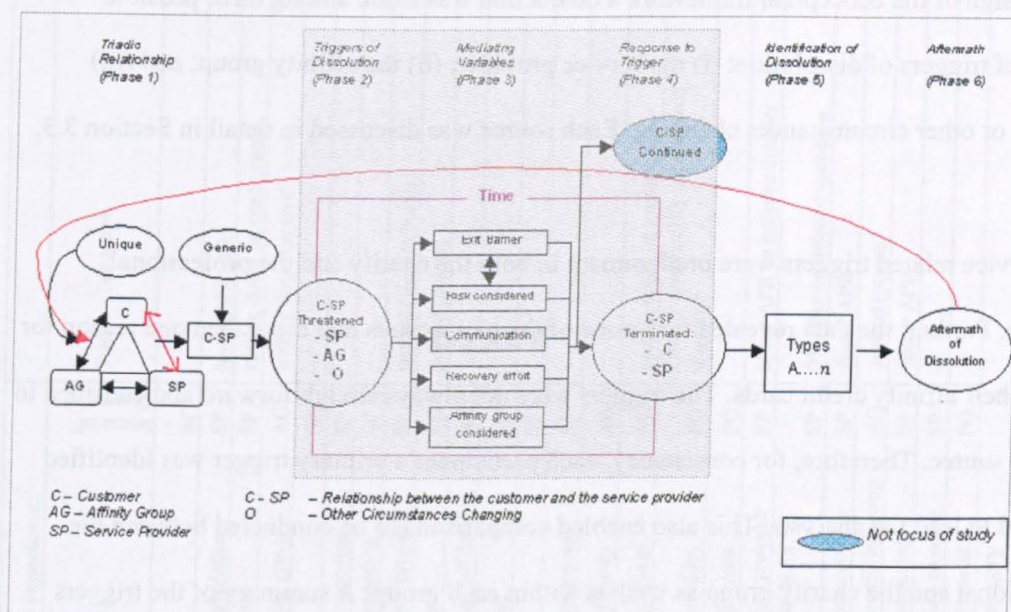


Figure 10: Conceptual Framework for C-SP Relationship Dissolution (Phases 2-4)

This chapter presents findings relating to phases two to four of the process of dissolution, that is, triggers of dissolution, the role of the mediating variables and response to triggers, as illustrated by the shaded section of Figure 10 above. It explores these phases in the course of providing a full picture of the process (first research objective). The chapter also investigates the impact the affinity group might have on the process (second research objective).

The remainder of this section is organised as follow. Firstly, an overview and a summary of the triggers are presented and explained. Secondly, the reasons reported under the three sources of triggers are discussed. Finally the impact of these triggers on the participants'

behaviour and subsequently on the process of dissolution is examined through the mediating variables and the response to triggers.

6.2 Triggers of Dissolution

In the design of the conceptual framework a distinction was made among three possible sources of triggers of dissolution: (i) the service provider; (ii) the affinity group; and (iii) personal or other circumstances changing. Each source was discussed in detail in Section 3.3.

Core service related triggers were predominant in both the charity and the professional category. Further, the data revealed that some of the participants had more than one reason for ending their affinity credit cards. The triggers were not always straightforward and confined to just one source. Therefore, for consistency, each participant's primary trigger was identified and used to lead the analysis. This also enabled comparisons to be conducted between the professional and the charity group as well as within each group. A summary of the triggers reported by each participant is shown in Table 15. Where participants reported more than one trigger, the triggers are listed in order of importance, as specified by the participant. The source of the trigger is also indicated alongside each trigger.

Table 15: Triggers of Dissolution

			Reason(s) in order of importance:					
PSEUDONYM	Affinity Category	Type of Relationship with the Affinity Group	Trigger – 1st reason	Source of Trigger	Trigger – 2nd reason	Source of Trigger	Trigger - 3rd reason	Source of Trigger
James	P	Compulsory	reward (points)	SP				
Linda	P	Compulsory	0% offer on spending/balance	SP	lower APR offer	SP		
Brenda	P	Compulsory	reward (airmile points)	SP	cutting down on credit cards	PO		
Greg	P	Compulsory	disillusioned by affinity group	AG	cutting down on credit cards	PO	Reward (cash-back)	SP
Richard	P	Compulsory	lower APR	SP				
Patricia	P	Non-compulsory	0% offer on balance/ spending	SP				
Sally	P	Non-compulsory	0% offer on balance/spending	SP				
Alice	P	Non-compulsory	dissatisfied with service provider	SP	reward (airmile points)	SP		
John	P	Non-compulsory	left the affinity group	AG	reward (points)	SP		
Alan	P	Non-compulsory	Changed affinity group/ affiliation	AG				
Kelly	P	Non-compulsory	reward (airmile points)	SP				
Sophia	P	Non-compulsory	Business decision	SP				
Sherry	C	Personal	0% offer on balance/spending	SP				
Colin	C	Personal	Unhappy with affinity group	AG				
Nigel	C	Personal	Unhappy with affinity group	AG	cutting down on credit cards	PO		
Jeremy	C	Personal	amalgamating finance / debt	PO	affinity card facility not required anymore	PO		
Chloe	C	Personal	cutting down on credit cards	PO				
Stuart	C	Personal	dissatisfied with service provider	SP	lower APR on balance transfer	SP	Reward (cash-back)	SP
Caroline	C	Personal	always changes her cards for competitive deals	SP	0% offer on balance/spending	SP		
Matthew	C	Distant	dissatisfied with service provider	SP	lower APR	SP		
Grant	C	Distant	lack of feedback from affinity group	AG	reward (points)	SP		
Michael	C	Coincidental	0% offer on balance/spending	SP	lower APR	SP		
David	C	Coincidental	dissatisfied with service provider	SP				
Ken	C	Coincidental	cutting down on credit cards	PO				

Abbreviations: P – Professional Category, C – Charity Category
AG-Affinity Group, SP-Service provider, PO-Personal/other

The results relating to the primary triggers (Table 15) shows that service provider related triggers were the most common cause of the C-SP relationship dissolution in both the charity and the professional group (15 participants). Furthermore, service provider related triggers could be related to either the core service or the service delivery. Affinity group related triggers were experienced to a far lesser extent (six participants) and change in personal or other circumstance related triggers were the least common cause of dissolution (three participants). Looking at a comparative analysis of the triggers (Figure 11), evidently most of the participants from the professional group were affected by core service related triggers. In the charity group, the source of triggers was evenly spread out. There was no notable variation between the professional and the charity group or the sub-categories (compulsory, non-compulsory, personal, coincidental, and distant).

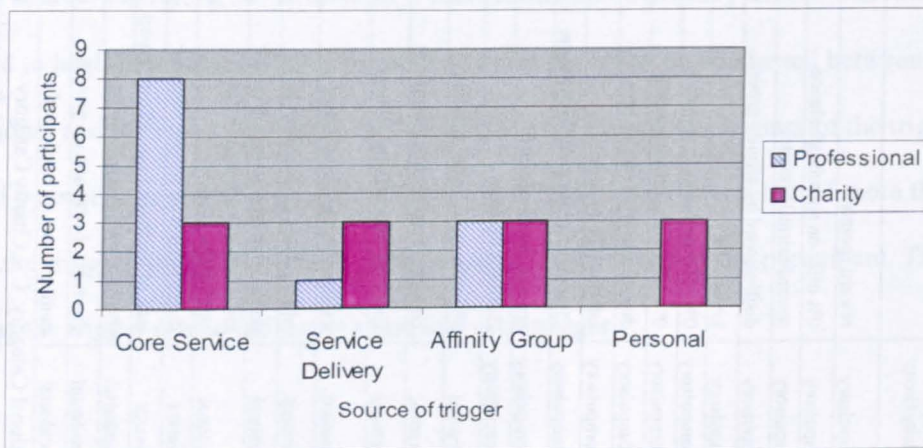


Figure 11: Source of Trigger against Affinity Group

Findings and key themes that relate to the three sources of triggers are presented in the sub-sections that follow (6.1.2 to 6.1.4).

6.2.1 Service Provider Related Triggers

The service provider related triggers were associated with either the core product or the service delivery. The core service relates to features of the affinity credit card offerings in comparison to competitive products and the service delivery relates to dissatisfaction with the service delivery in general.

Core service related reason(s) were the primary trigger for 11 of the participants (professional-eight and charity-three). The triggers reported included zero percent offers on balance transfers, zero percent offer on purchases and lower APR offers from competitors. The participants who were drawn by such offers were no longer satisfied with the pricing associated with their affinity cards. These participants were particularly attracted by the balance transfer offer. For example, Linda explained why the zero percent offer was important for her. Lower APR was the secondary reason why Linda ended her affinity credit card:

“I have got the X card and that is my card now mainly because of the nought percent interest, since I bought my flat last year. That has been the main important thing for me just to have as low a rate of interest as possible.” [Nvivo-LNDProfl Parag.10]

	Type of C-AG relationship	Source of Trigger: AG -Affinity Group SP -Service provider PO - Personal/other <i>Trigger(s) in order of importance:</i>
Linda (Professional)	Compulsory	1- 0% offer on spending/balance (SP) 2- lower APR offer (SP)

In two of the cases participants anticipated their C-SP relationship to end when the balance transfer period on their affinity card comes to an end (Jeremy and Caroline). Another trigger under core service was participants being enticed by tangible personal rewards attached to credit cards (professional=3). Such rewards included airmile points or points that could be converted into a free gift and cash-back offers. For example, Brenda described how she was enticed by airmile reward points a competitor had on offer:

“I just saw the gold card deal and stuff you get with it. The insurance deals and also the airmile deal. The air mile was actually the big difference to be honest...”

“Especially with the one I am using now I tend to use it more because of the airmile on it, which is one of the biggest reason why I did go off the affinity card and started using my ‘X’ Gold card. Because you get airmiles with everything and I tend to use that more than cash more than ummm ... they do tend to have high rates, but I paid it off anyway at the end of the month.”

[Nvivo-LNDProf2 Parag.141 & 51]

	Type of C-AG relationship	Source of Trigger: AG -Affinity Group SP -Service provider PO -Personal/other <i>Reason(s) in order of importance:</i>
Brenda (Professional)	Compulsory	1- reward (air mile points) (SP) 2- cutting down on credit cards (PO)

Dissatisfaction with the service delivery was a cause of concern for four of the participants (professional=1 and charity=3). These participants were all disappointed with how their queries were being handled by their service providers and this ultimately led to the dissolution of their C-SP relationship. For example, Matthew explained how his disappointment with the service delivery eventually led to the cancellation of his affinity credit card:

“I thought I had a fraudulent transaction on my card as a result of a trip abroad, and I thought I had a look and I thought I didn't buy that. And I went through all my receipts and the transactions, and I couldn't find that transaction, but it's just the way they dealt with me. It's the way they dealt with me on the phone it was rubbish. It really was and I felt I was looked at as a criminal as if I was trying to pull a fast one on them, and it was only for about 60 euros or something it wasn't even a huge sum of money. It was a relatively small, sum, modest sum of money. Eventually I realised that it is an online payment I had made, which is why I didn't have a receipt so it was my fault and when I went back to them but it was the overall attitude it was very, very poor.”

[Nvivo-GLA Char1 Parag.118]

	Type of C-AG relationship	Source of Trigger: AG -Affinity Group SP -Service provider PO - Personal/other <i>Trigger(s) in order of importance:</i>
Matthew (Charity)	Distant	1- dissatisfied with service provider (SP) 2- lower APR (SP)

6.2.2 Affinity Group Related Triggers

Overall, six participants (professional=three and charity=three) reported affinity group related reasons as their primary trigger. The triggers articulated by these participants include: being disillusioned or unhappy with the affinity group, feeling unappreciated by the group and

wanting to end all ties they had with the group because they were no longer a member or a supporter of the group. For example, Nigel, who used to be a strong supporter of the group, explained how his dissatisfaction with the group eventually led to the dissolution of his C-SP relationship:

“It was a personal thing it had nothing to do with the credit or anything it was to do with the actual organisation I sort of disagreed with certain things that the organisation did and then bit by bit I didn’t use it as muchI felt that they were not doing as much....they choose to take the easy option out” [Nvivo-NOTChar3 Parag.67]

	Type of C-AG relationship	Source of Trigger: AG -Affinity Group SP -Service provider PO - Personal/other <i>Trigger(s) in order of importance:</i>
Nigel (Charity)	Personal	1- unhappy with affinity group (AG) 2- cutting down on credit cards (PO)

In contrast, John from the professional category explained that although he believed that the affinity group offered good service for its members, it was not a good fit for his profession or line of work:

“They just were not relevant to what I was a doing. One of the things ... which sounded like a good idea was that you go to a meeting. You meet up with a group of people, they try to tell you about their businesses in the hope that you will be interested in theirs, you tell them about your business and hand out your business card all the sort of thing. But I never met anybody through this sort of thing. It just was not ... the people who were there were not really relevant to what I was doing.....”

“It was not for me I would not say it was not doing a worthwhile job. I just did not think it was doing much for me.” [Nvivo-BRSPProf2 Parag.24 & 301]

	Type of C-AG relationship	Source of Trigger: AG -Affinity Group SP -Service provider PO - Personal/other <i>Trigger(s) in order of importance:</i>
John (Professional)	Non-compulsory	1- left the affinity group (AG) 2- reward (points) (SP)

This led John to stop his membership and eventually he decided to end all ties with the group which also included ending his affinity card.

The ending of a C-AG relationship affecting a C-SP relationship is a good illustration of, how issues or problems related to one relationship could affect other connected relationships. In the literature reviewed, Ford et al. (1998) and Harrison (2001) suggested that changes in a single dyad may have a wider impact on the network. Similarly, in the findings discussed here, the negative impact of affinity group related triggers on a C-SP relationship was demonstrated.

6.2.3 Personal or Other Circumstances Related Triggers

Overall, three participants, all from the charity group, reported change in personal circumstances as being the primary trigger that led to the dissolution of their C-SP relationship. Cutting down on credit cards was the main reason for two of the participants, while change in overall financial standing triggered the dissolution for one of the participants.

In the following example, Jeremy explained how the change in his financial circumstances meant that he no longer required the zero percent balance transfer facility he had through the affinity credit card:

“(Relating to the affinity card) its purpose was 0% transfer facilityWe actually managed to pay this one off. We eventually did a small re-mortgage because we bought a little camper van to take the kids away on summer and things and we amalgamated the credit cards, the camper van and the house extension, put it all on one thing and paid off all the credit cards”
[Nvivo-BRSChar1 Parag.147]

	Type of C-AG relationship	Source of Trigger: AG-Affinity Group SP-Service provider PO-Personal/other <i>Trigger(s) in order of importance:</i>
Jeremy (Charity)	Personal	1- amalgamating finance / debt (PO) 2- affinity card facility not required anymore (PO)

Although, only three participants reported changes in personal circumstances as being their primary trigger, four more participants had reported this as being a secondary trigger which contributed to the dissolution of their C-SP relationship.

6.2.4 Summary: Triggers in Process of Dissolution

Service provider related triggers, mainly core service related offers from competitors, dominated both the professional, and the charity groups. In some cases these offers led to participants becoming dissatisfied with the affinity card they had whilst in others, where the benefit was related to a reward, it encouraged participants to switch to a different service provider. The affinity group related triggers, reported by fewer participants, demonstrated how a problem in one dyad could affect interrelated relationships in that network, in this case, the triadic relationship. The least reported trigger was personal or other circumstances changing. A key point that emerged from the data on the nature of the trigger was that the participants' primary concern was to look after their personal interest, that is, their individual benefits.

The nature of the trigger was expected to determine the action(s) that followed in the next phase of the process of dissolution (the mediating variables). Therefore it was important to establish the participants' circumstances fully at the time of the trigger and to assess the level of importance they placed on the trigger, to understand their reactions to the trigger. These reactions are discussed in the next section which presents the role of the mediating variables in the process of dissolution.

6.3 Mediating Variables in the Process of Dissolution

Originally five key mediating variables were identified and used to guide the investigation. These were exit barrier, risk, communication, recovery effort, and affinity group considered.

However investigating the mediating variables ‘risk’ and ‘exit barriers’ as separate entities proved difficult. Therefore these two variables were integrated under the discussion for exit barrier. Further, the discussion for the mediating variables ‘recovery effort’ and ‘communication’ was merged, due to the overlap found between these two. Following these developments in the conceptual framework, the sub-sections that follow are organised according to the three mediating variables: exit barrier, communication and affinity group considered. The effect that each mediating variable had on the time it took for the process of C-SP relationship dissolution was also noted. A summary of the findings is presented in Table 16.

Table 16: Mediating Variables in the Process of Dissolution

		Mediating Variables							Affinity Group Considered or Not Y -: Yes Negative Y +: Yes Positive
		Communication : C – customer, SP – service provider, AG – affinity group							
P – Professional C – Charity									
Pseudonym	Affinity Category	Type of relationship with the affinity group	Exit Barrier:	Just to end	To resolve	To retain customer	Lapsed credit card	Re credit card	
James	P	Compulsory	N/A(Not applicable)				X		Y (-)
Linda	P	Compulsory	Debt	X		X			Y (-)
Brenda	P	Compulsory	N/A	X		X			No
Greg	P	Compulsory	N/A	X		X			Y (-)
Richard	P	Compulsory	N/A	X					Y (-)
Patricia	P	Non-compulsory	Debt	X					Y (-)
Sally	P	Non-compulsory	Debt	X					Y (+)
Alice	P	Non-compulsory	Affinity group	X	X	X			Y (+)
John	P	Non-compulsory	N/A	X		X			Y+&-
Alan	P	Non-compulsory	Affinity group	X		X			Y (-)
Kelly	P	Non-compulsory	N/A	X					No
Sophia	P	Non-compulsory	N/A	X					No
Sherry	C	Personal	Debt, affinity group & guilt	X					Y+&-
Colin	C	Personal	Debt, affinity group & switching cost	X	X	X		X	Y+&-
Nigel	C	Personal	Affinity group & guilt	X					Y+&-
Jeremy	C	Personal	Debt	X					Y (+)
Chloe	C	Personal	N/A	X		X			Y+&-
Stuart	C	Personal	N/A	X	X	X			Y+&-
Caroline	C	Personal	Debt & guilt	X			X		Y (+)
Matthew	C	Distant	N/A	X	X				Y+&-
Grant	C	Distant	Guilt	X					Y+&-
Michael	C	Coincidental	Debt & guilt	X		X			Y (+)
David	C	Coincidental	Debt	X	X				No
Ken	C	Coincidental	N/A	X		X			Y (+)

6.3.1 Integrating Risk with Exit Barrier

It was difficult to separate the mediating variables risk and exit barrier because first, the participants did not differentiate between the two and second, those who experienced risk tended to talk about it relative to its impact as an exit barrier. For instance, the participants' opinions regarding availability of alternatives often encompassed both its risk element and its role as a barrier to exit. For example, in a discussion concerning pre-assessing the performance of a potential competitor, Linda held the opinion that risk associated with performance could easily be avoided by switching to a known competitor:

“.....probably not, not unless somebody else I knew has recommended it. I'm not quite, well, I'm not a risk taker as a person so I would probably try to play it safe unless there are like huge advantages. I do think also with all these cards, they are in competition with each other. They all offer similar kind of deal, so if one is not right for you then there would be another one that is right for you”
[Nvivo-LNDProf1 Parag.372]

	Type of C-AG relationship	Exit barrier	Switched service provider
Linda (Professional)	Compulsory	Debt	Yes

Looking at a different example, Michael explained that he attempted to minimise the performance risk of switching by making a more informed decision:

“One thing I would do, if anything is buy Which Magazine (laughter) to see all these, because obviously they do a lot of surveys about services, into different companies, so on, so forth. I would be more inclined to get information be it online or reports about the various credit card companies before I make that decision....”
[Nvivo-NOTChar2 Parag.332]

	Type of C-AG relationship	Exit barrier	Switched service provider
Michael (Charity)	Coincidental	Debt, guilt	Yes

Linda's and Michael's case show how some of the participants perceived the risk associated with their affinity credit cards and the type of approaches they took to minimise their risk. The quotations also demonstrate how many of the participants generally viewed the credit card market. For the majority, exit was an easy option with minimal risk attached to it.

6.3.2 Exit barriers

Thirteen participants reported having encountered one or more exit barriers. Two types of personal barriers (tie with the affinity group and guilt) and two types of functional barriers (debt or balance on card and switching costs) were identified in the data. As explained in Chapter 3, the functional exit barriers related to the core service or product, while the personal barriers related to psychological and social factors.

The functional barriers tended to prolong the process of dissolution, simply because of the time it took for the administration process, for the participant to find suitable alternative service providers, or because the participant had to wait until he/she was able to clear his/her debt. With personal exit barriers, this made the participants re-evaluate their decision to end the card. As a result some of the participants held on to their card longer because of the ties they had with the affinity group and/or the guilt they felt about stopping their support to the group. But this was not the case for all the participants that experienced personal barriers, especially with guilt. Most of the participants who experienced guilt, only felt guilty momentarily.

The exit barriers experienced by the participants from the charity and the professional groups (including the sub-categories) were largely similar. The only difference noted between the two categories was that the ‘guilt’ associated with not supporting one’s affinity group was only experienced by some of the participants from the charity category. A summary of the number of participants affected by each barrier, differentiated by the affinity groups is illustrated in Figure 12.

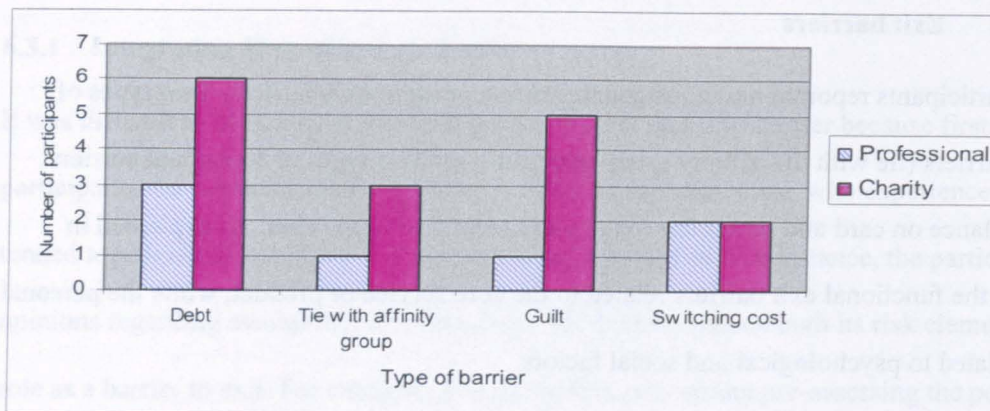


Figure 12: Exit Barriers

How these barriers influenced the participants' decision making process is detailed in the section that follows. Overall, the main impact was to prolong the process. Further in some cases it made the participants reconsider their decisions.

6.3.2.1 Debt

Debt was the most common barrier experienced amongst the participants. Here individuals had the choice to either clear the debt or they could transfer the debt to another service provider with a better offer. Most of these participants were anxious to clear their balance. For those who decided to pay off their debts before cancelling their affinity card (Linda, Jeremy, Caroline, Michael and David) the dissolution was delayed until the debt was cleared. Furthermore, out of those who paid off all their debt Jeremy and David were the only ones who did not switch to a new service provider. Instead these two opted to reduce the total number of credit cards they had. How long the debt delayed the process varied and was entirely dependent on personal circumstances. In David's case it took him a long time (four years) to clear his debt before he was finally able to cancel his affinity card. In his case he had

kept the card for nine years and the debt was a major functional barrier for him in cancelling the card:

“I have been clearing it up slowly and in the end I cut it up and I said that's enough.... It was like a burden. It was like something is hanging round my neck and pulling me down. I think it took me about three or four years before I actually got to my maximum and circumstances changed after that. So I reckon about the fifth year things started to get a bit sticky. And that's when I realized that I should never have had as much credit card or I shouldn't have had a credit card on the salary I was on”

[Nvivo-NOTChar4 Parag.89-93]

In contrast Linda who held the card for over two and a half years took a relatively short time to cancel her affinity card:

“I suppose it was at the back of my mind that I wanted to pay it off, unless you pay something off you can't really cancel it or unless you transfer it. Yeah, so really it was just circumstances. Luckily I was able to pay it off so I did.”

“It's probably weeks or a month (to cancel) it probably lay dormant I didn't do anything with it. I had the balance on the card. I probably didn't use the card for a while because I had another card at that point and I was conscious of the interest, every time I spent on it, so I kept the balance stable, and as soon as I got some extra money when I got paid. I paid it and then I cancelled it straight away....”

[Nvivo-LNDProf1 Parag.162 & 296]

For four of the participants who transferred their debt to a new service provider (Patricia, Sally, Sherry and Colin), the time it took to complete the process was mainly the administration time and the period it took the individuals to find a service provider that was right for them. For most of the participants the process took about two to four weeks.

6.3.2.2 Tie with the Affinity Group

Here tie with the affinity group is discussed relative to how the connection participants had with the affinity group was a personal exit barrier in the process of dissolution. The relationship they had with the affinity group was a deterrent for a short period of time, while they thought about cancelling their affinity cards. All these participants had either a very strong or a somewhat strong C-AG relationship. Moreover, all those who were from the charity category had a personal relationship with their affinity groups.

The quotations that follow illustrate two varying examples of how and to what extent the tie participants had with their affinity groups was a personal barrier in the process of dissolution. Sherry felt that she had an obligation to keep her affinity credit card because of the strong relationship she had with her group. Sherry explained that when her husband finally prompted her to switch to a different credit card she realised that neither party (the affinity group nor herself), was benefiting from the card since she had stopped using it:

“...umm.. I mean I got to the stage and I realized that I had actually stopped using it. Also I think if you had it for another year another five pounds went. But actually when I looked at it and I thought well I am actually giving more in other ways. And because I wasn't well because I had obviously got quite a bit on the card at one point and I didn't want to spend any more (laughter). Then that's when my husband said to me, you should really transfer that onto another card where you are not paying any interest so that the reason I went. So I kind of justified it to myself by saying well I am giving in other ways so that's why I stopped.

[[Nvivo-GLAChar4 Parag.49]

In Colin's case, his strong C-ACC-AG relationship led him to question the change in the affinity card scheme. The donation through the scheme was changing from being community based to research. Being in favour of the community based donation, the time it took for Colin to find out about the new scheme and to assess the possibility of keeping the affinity card was a temporary barrier:

“...I looked and I checked for two weeks and there was no notification from them as to why and I just felt a little bit let down I suppose. And I thought well after such a period of time and after such huge donation, I mean it was nice to know that the money was going and it was nice to know that you would have the newsletters saying that they've had the deposit of that money. But I suppose in theory it was a bit of a let down, because as I said from minimal explanation I didn't understand why.”

“... I would have expected something, because they have always e-mailed me before, to say thank you, we have received so much for that period of time. But I hadn't received any e-mail. I have tried to find out, I rang 'X' the affinity group National, but they knew very little about it anyway. It obviously came from a corporate decision.”

[Nvivo-NOTChar1 Parag.115 & 193]

Although Sherry's and Colin's reasons vary, clearly both had considered their decisions to end their C-SP relationship for some time, due the personal relationship they had with the affinity groups.

6.3.2.3 Guilt

Some of the participants felt guilty by the prospect of the donation going to the charity attached to their affinity credit cards stopping. Overall, the degree of guilt felt varied and ranged from some individuals feeling a little guilty to others feeling very sad. For example Grant felt a little guilty because he gave preference to his individual benefit:

“ummm, I suppose I just sort of thought well it doesn't really look like it means that much to them you know my little contribution is not that important. Maybe I was just justifying it to myself in, maybe I felt a little bit guilty about that.....

Well you are stopping using because you want to get financial gain yourself from using a different card, and I guess I sort of felt a bit guilty.”

[Nvivo-GLAChar2 Parag.116-120]

In contrast, it was difficult for Nigel to end the card quickly because it had a strong impact on him emotionally which made him feel very guilty:

There was some guilt there was guilt because, if you are not doing, no matter what there was that guilt factor. Yes guilt that I was not supporting them any more. I was not a member there was a guilt factor that it was the last link and also they were not getting anything from me.

[Nvivo-NOTChar3 Parag.379]

In general, the guilt participants felt either prolonged the process or made them re-consider their decision. Where applicable, participants' opinion regarding guilt is elaborated in the individuals' case study summary.

6.3.2.4 Switching Cost

The switching cost was associated with the financial cost of transferring the balance over to another service provider. Generally this is a small percentage of the balance the customer wishes to transfer. However, this is not always applicable to all service providers since terms

and conditions may vary. The impact of switching cost was minimal and did not affect the majority. Many of these participants overlooked the switching cost, mainly because they thought that the benefits of switching outweighed the cost of switching. Overall, only four of the participants out of the 16 who had switched services needed to transfer their outstanding balances. Out of the four, two participants did not mention any switching cost, one participant reported there was no cost involved and for one participant (Colin) the switching cost was a barrier.

Colin's case was unique in comparison to the other participants of this study because although he had ended his affinity credit card, he actually avoided the switching cost by deciding to stay with the same service provider, but by switching to a standard (non-affinity) credit card instead. Here the switching cost of the service providers he was intending to switch to was a barrier which affected his decision-making:

“umm, they sort of said when I rang them up about the other alternative, and possibly transferring over the ‘X- potential new service provider’, and taking the balance with me. That's when they started to negotiate the interest rates again. As an incentive, I suppose, and they sort of threw in the fact that if I did change that I would be liable for anything between 2.5 to 3.5 per cent charge from the other side anyway to do the balance transfer. They said, alright it is nought per cent but you may be charged this and on the lump sum that it was then I thought, do I really did want to do that for a short amount of time that I had nought per cent anyway.”

[Nvivo-NOTChar1 Parag.169]

Many of the participants, including those who had transferred their balances, held the opinion, that balance transfer was an alternative option for avoiding interest payments. These participants pointed out that interest free credit offered by competitors encouraged potential customers to switch. Most of the participants who took advantage of such offers, considered the switching cost (charge for transfer) to be minimal and that the benefits of switching outweighed the cost.

Dwyer et al. (1987) suggested that exit barriers were less common in the service industry. Overall, the minimal impact of exit barriers in this study supports this suggestion. This could be due to the flexible nature of the credit card market at the time. This also supports the view that credit cards are generally less risky for the consumer, because opening and closing a credit card account was seen as relatively easy with minimum or no cost, most of the time. This minimal risk was reflected in both the initial opening and the final ending of credit card accounts.

6.3.3 Communication

The findings from the analysis of ‘communication’ and ‘recovery effort’ showed considerable overlap. To recap briefly, the conceptual framework suggested that recovery should be examined from two different perspectives: from the action that the participants took to sustain the C-SP relationship and from the perception participants had about the action(s) the service providers took in an effort to retain their custom. With communication, three forms were identified: (i) customer to the service provider: to end the relationship and /or to resolve problems in the relationship; (ii) service provider to the customer: in an attempt to retain the customer or to confirm the card had lapsed; and (iii) customer to the affinity group regarding the affinity credit card.

The analysis revealed that the findings for recovery efforts were similar to some of the findings for communication. In particular, there were similarities among the data relating to - the recovery effort by the customer to service provider to resolve the problem that triggered the dissolution, and the data relating to the communication between the service provider and

the customer trying to maintain the C-SP relationship. Therefore, these two mediating variables were integrated under the broader theme of communication.

A summary of the findings relating to communication is presented in Table 16. Overall the findings supported the central role of communication in the process of dissolution.

Communication is central because all the participants have to go through some form of communication to finalise the process of dissolution. The relevance of the mediating variable communication in illustrating the process was more evident in the cases where the participants had evaluated the prospect of ending their affinity credit cards over a period of time. In these cases, the participants' evaluation often led to the participant having more interactions with the service provider and / or the affinity group, which consequently prolonged the process of dissolution. Further, in such cases the outcome from the communication was instrumental in determining how the process proceeded.

Referring to Table 16, evidently the communication was mainly between the participants and the service providers, and the participants instigated most of it. Nearly all the participants (23) contacted the service provider to at least cancel their affinity credit cards. Many of the participants explained that they had an obligation to cancel in writing. Five of the participants also contacted the service provider to resolve a problem they had regarding their affinity credit cards or another service they had with the service provider. Out of these five participants, four were dissatisfied with aspects related to service delivery and with the outcome of the communication. Consequently unsatisfactory communication was the main trigger for the dissolution of the C-SP relationship. In addition, 11 of the participants reported that the service provider attempted to maintain the C-SP relationship. Lastly with regard to the participants involving their affinity groups in their communications, the one participant who approached

the affinity group to enquire about issues relating to his affinity card was not satisfied with the outcome of his communication. In general the analysis showed customers hardly involved their affinity groups in their dealings concerning their affinity credit card.

Actions taken by the participants included contacting the service providers via email, letter, by telephone and/or visiting a local branch. Often the participants contacted their service providers regarding a problem with service, to work out unresolved issues or for clarification of transactions on their account. For example, Stuart explained that he had to email and call the service provider repeatedly, for two different incidents concerning problems he had with a different account he held with them. These communications gave Stuart a negative impression of the service provider, which subsequently led him to cancel all the accounts he had with them, including the affinity card:

“I sent them a couple of e-mails, they never answered. So I was wondering if there was anybody picking up the e-mail. So eventually I phoned them and I told them what happened and they apologised and they said we are very sorry what can we offer you so I said no just give me a card as soon as possible and then it happened again. Funny enough, after about three months I think I was being silly and getting drunk, and the same thing happened. I sent a couple of e-mails and got no answer. So I thought the customer service could be a little bit better to responding, if you had a problem.”

[Nvivo-GLAChar3 Parag.83]

Regarding the service providers' efforts, 11 of the participants (Professional=6 and Charity=5) were approached by the service providers, in an effort to maintain the C-SP relationship, following their request to cancel the affinity card. Generally the service provider's action(s) was instigated by the participants' intention or communication. On these occasions, for most of the cases, the service provider's initial response was to question why the participant wanted to cancel the affinity card and on some occasions the service provider tried to persuade the participants to reconsider their decision. For example, one common technique used was

offering the participant discounted APR. For example, when Michael contacted his service provider to cancel his affinity card the service provider tried to retain his custom by offering him a lower APR. But he rejected the offer because he felt it was far less competitive than the offer he had from the new service provider, which he eventually switched to:

“I needed to write a letter, I had paid off the balance when the statement came. They said I need to write a letter closing the account down and then I just got a confirmation letter after that.....oh yes, you always get the sales afterwards saying we will give you two percent cheaper APR and things like that. But I think once you had the introductory offer, they don't tend to give you another zero percent, do they?...yeah, they tried to sell to me, they tried to keep me on”
[Nvivo-NOTChar2 Parag.124-128]

Communication as a mediating variable was useful in demonstrating possible interactions among the customer, the service provider and the affinity group in the process of dissolution. These interactions which occurred in Phases two to four are best described as an evaluation phase. These interactions came about as a result of participants' evaluation of the C-SP relationship relative to their personal circumstances. Additionally, some of the participants felt that the service providers made minimal effort to maintain the C-SP relationship. Finally there was no notable pattern or variation in communication between the charity and the professional group.

6.3.4 Affinity Group Considered

The mediating variable 'affinity group considered' was generated to address issues concerning the relationship between the customer and the affinity group. In Section 6.3.2.2, 'tie with the affinity group' was referred to, to discuss the affinity group in relation to its effect as an exit barrier, simply looking at whether or not it was a barrier to exit. In this section 'affinity group considered' is referred to, to discuss the affinity group from a broader perspective. Here the aim was to investigate and understand participants' thoughts and feelings regarding the affinity group and the affinity-marketing scheme during the process of dissolution and

subsequently its impact on the process. The data revealed that participants' perceptions varied and included positive, negative, or both positive and negative views towards the affinity group and / or the affinity marketing scheme. However, there were few participants that did not show any consideration towards their affinity groups.

A summary of the findings is presented in Table 16. In addition, the distribution of the considerations shown by the participants from the professional and the charity groups is illustrated in the Chart that follows (Figure 13).

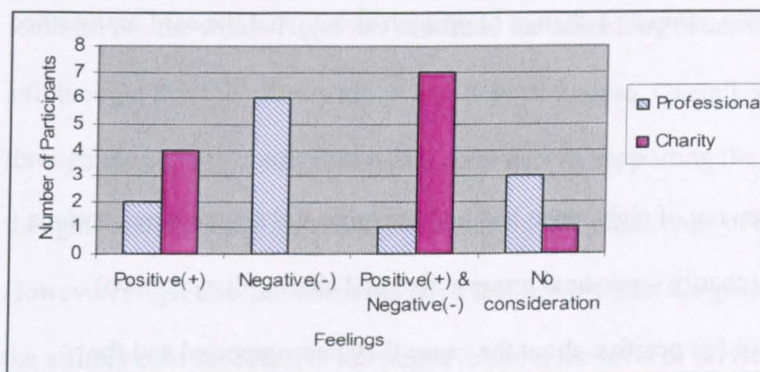


Figure 13: Consideration to the Affinity Group

Out of the six participants who showed positive consideration, four were from the charity group (Personal = two and Coincidental = two) and two were from the professional group (Non-compulsory = two). The positive views mostly related to participants showing their general concern for the affinity group and participants showing their concern for the groups because they were ending their affinity cards. For some of the participants, the positive consideration they had for the affinity group had made them reconsider their decisions to end their C-SP relationship.

All six participants with negative consideration were from the professional group (Compulsory= four and Non-compulsory = two). The negative perception had more varied implications. The Negative views indicated participants' discontent with the group, lack of consideration for the affinity group's loss and /or a change of opinion about what the card represented. For those in the charity group, negativity mostly indicated participants minimising the importance of their individual contribution to the group through their card, while for those in the professional group the negative perceptions were often directed at the affinity group. The negative perceptions by the professionals mostly reflected either the participants' discontent with the group or a change of opinion about what the card represented for them.

Most of the participants (seven out of eight) who had both positive and negative perceptions were from the charity group (charity – personal group = five and charity-distant =two). Overall, these participants still felt positive about the cause they had supported and the objectives of the affinity scheme. However, the negative opinion they had towards the scheme was often backed by the minimal importance they attached to their individual contributions through the card, after having kept the card for a period of time. Finally, those who did not think about the affinity group were either detached from the group, had changed interests or had simply forgotten about the affinity group.

The positive consideration relating to the affinity scheme and or the affinity group in general varied from feelings that were only momentary to feelings that were more intense. For example, Sally had a very brief positive, momentary concern for her group:

Sally: “I thought shhhooo, done (laugh). For a moment I thought I should stay, but it is finances, and there is no point in keeping spending

Interviewer: “But for a short moment you felt that I really should stay. So why was that?”

Sally: “Just because, it had an affiliation with your ‘X’(job) and your union and you go out of your way to try it. But it was just really like the blink of an eye really that was it and it went.”

[Nvivo-GLAProf2 Parag.154-162]

	Type of C-AG relationship	Strength of C-AG Relationship	Strength of C-ACC-AG Relationship	Affinity group considered or Not
Sally (Professional)	Non-compulsory	Somewhat Strong	Weak Link	Y+

In contrast Nigel’s feelings were more intense and he exhibited both positive and negative feelings. On the whole Nigel felt saddened for cancelling his affinity credit card because he still thought that the affinity group was a worthy cause. Overall he believed that donating through the affinity credit card was a good way of supporting the group. He had second thoughts about ending his affinity card during the initial stage of his decision making process. However, Nigel also had some negative feelings towards the group but this was not related to the affinity card scheme. He felt negative about the level of service that the group offered in comparison to another similar charity. He explained that he felt:

“Sad really, it is a sad thing, because no matter what your views are they do good things they do good work and I think in the last question on there I do think I still think they do a great work, but it is sad and I did think whether to just continue, that was the reason why I had the card after all, I did think about whether to continue...” [Nvivo-NOTChar3 Parag.173]

	Type of C-AG relationship	Strength of C-AG Relationship	Strength of C-ACC-AG Relationship	Affinity group considered or Not
Nigel (Charity)	Personal	Very Strong	Strong Link	Y+ & -

The negative perceptions stemmed from varied reasons. For example, some participants were unhappy with how the affinity group conducted its activities; some participants became dissatisfied with the group after they found out more about the group; and some participants

were dissatisfied with the limited involvement or knowledge the group had on the affinity card scheme. The impact that these negative perceptions had on the process of dissolution varied. For some of the participants the negative feeling was actually the main trigger of the dissolution, while for others the negative feeling was much weaker and less significant to the participants' decisions to end their C-SP relationship. Grant developed a negative feeling towards the affinity group because he was not updated about the contribution he was making through the card. Thus, he did not feel valued as a customer:

“I don't know, you sort of feel you don't really see what's happening I didn't feel I get that much feedback in terms of what good it had done and I suppose I was attracted by the idea of getting cash back myself. And that I would see the benefit of it (laughter). It sounds very mercenary, now when you put it in those terms. I think if there had been more feedback perhaps, which might have made you feel good about what you are doing maybe it would have been more attractive to keep it on you know” [Nvivo-GLAChar2 Parag.79]

	Type of C-AG relationship	Strength of C-AG Relationship	Strength of C-ACC-AG Relationship	Affinity group considered or Not
Grant (Charity)	Distant	Weak	Somewhat Strong	Y+ & -

However, Grant also felt positive about the group because he still supported the cause it stood for and he believed that the donation the group got through the affinity card scheme makes a difference. Generally his feelings for the group were not very strong because he was not an active member.

In the next example, James explained that the decision he took was based on his view of the card being a 'loose association' to the group:

“It was very easy personally, for me there were no second thoughts, or thinking, I am betraying anybody.....”

“What it is, basically, it was just a credit card that is linked to the ‘X’ Society. It was just a loose association with the ‘X’ Society, there is nothing particular. That is why I changed actually, because there was no tangible benefit with it. So it was not a charity card as such because I think you can get a charity card, which when you use it so much donation will go. I do ‘X’ card now, partly because well I did I get ‘X’ points and can get some tangible benefits out of it. I think the ‘X’ society could look after itself to be quite frank with you. I think with most credit cards, now, you can just do donation to charity, if that's what you want, but I just got it for the sake of it, it was there and I thought well, why not and I got it. But really it was a question of what's the point of this. So I ended up moving over to the X card, which is just another credit card really.”

[Nvivo-BRSProf1 Parag. 301 &29]

	Type of C-AG relationship	Strength of C-AG Relationship	Strength of C-ACC-AG Relationship	Affinity group considered or Not
James (Professional)	Compulsory	Somewhat Strong	Strong Link	Y-

In the interview, James also explained that the degree of credibility he gave to the affinity group and the card had lessened over time. Hence for these reasons he did not give his affinity group much thought and held the opinion that the group could look after itself.

In the cases where the participants had a negative view, it was not always a reflection of what the participants thought of the affinity group, especially for the charity category. Often negative views appeared to be directed at how the affinity group was administered or possibly an isolated incident concerning the affinity card. Ultimately, in most of these cases the negative feelings led to the participants having second thoughts about the level of their involvement with the affinity group, including their involvement through their affinity credit cards.

Finally, there were a few participants who gave no consideration to the affinity group. These participants either had a change of interest during the period they kept the card, got detached

from the affinity group; or simply forgot about the connection the affinity card had to their affinity group at the time they were ending their card. (David, Sophia, Kelly Brenda)

6.4 Chapter Summary

In the course of providing a complete picture of the dissolution (first research objective), this chapter has discussed the triggers and the role of the mediating variables in response to the triggers.

From the data it was evident that service provider related core service issues were the most common source of trigger. The other two sources of triggers, affinity group related issues and personal or other circumstances related issues were experienced by fewer participants.

Out of the five mediating variables that were initially proposed to guide the analysis, only three - exit barrier, communication and affinity group considered were needed for examining the cases. The analysis on exit barriers and communication were useful in eliciting what participants encountered and how they reacted to it. The analysis of the consideration the participant gave their affinity groups provided a deeper understanding of how the affinity group affected the process (second research objective). The process between the trigger and the response to trigger showed that some of the participants went through an evaluation process, and encountered more than one mediating variable, before they ended their affinity cards. This was contrary to others who did not think that they needed to evaluate their decision and only needed to communicate the cancellation of their cards to the service provider. In general, the way the customers interpreted the relationship was often influenced by their perception of the relationship relative to the other options they may have. In most of the cases

investigated here, as the participants became more price conscious, they found their affinity card was not beneficial to them anymore. Further this was exasperated by the lack of update of the benefit that the card provided. In most of the cases, neither the service provider nor the affinity group made any effort to remind customers of the benefits that the affinity card provided after the participants had signed up for the card.

Having examined phase one to four of the process, that is the C-AG, C-ACC-AG and C-SP relationships (Chapter 5), the triggers (Section 6.2) and the mediating variables (Section 6.3), the findings from Chapters 5 and 6 were examined as a whole to find out if there were any patterns in the process of dissolution. Patterns or associations found from re-examining the data, as well as similarities or divergence found between the professional and the charity group are reported in the next chapter.

CHAPTER 7 TYPOLOGY GROUPS

7.1 Introduction

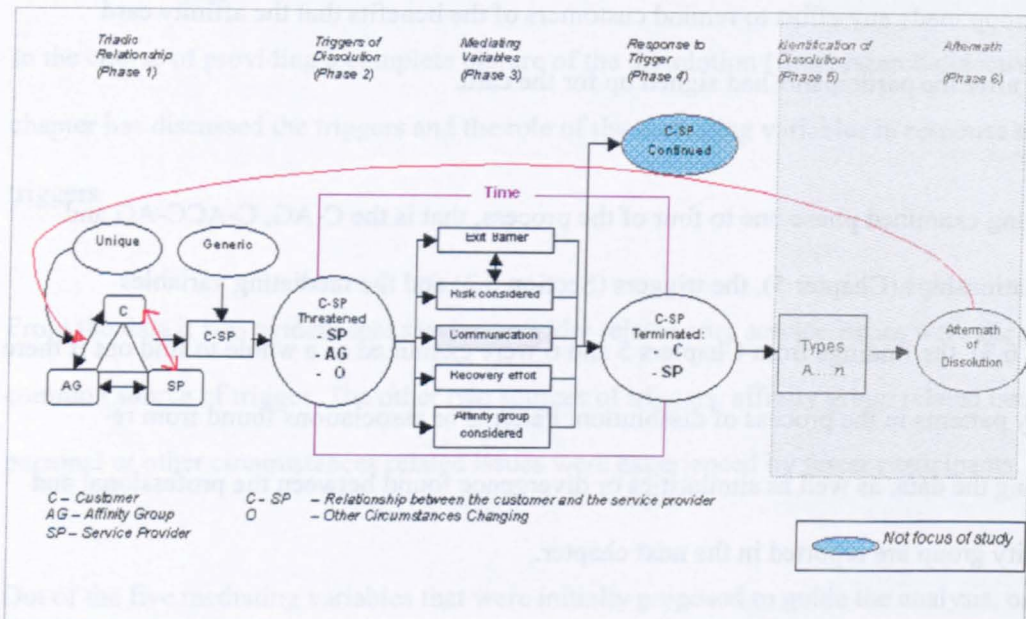


Figure 14: Conceptual Framework for C-SP Relationship Dissolution (Phases 5 and 6)

This chapter completes the assessment of the process of dissolution (first research objective).

The full processes of dissolution are described through the aid of typology groups which emerged from the analysis. The typologies are shown in Phase 5 - the highlighted section of Figure 14. This chapter also addresses the third research objective: the aftermath of dissolution on the C-AG relationship (Phase 6). In the literature reviewed process-oriented research was viewed as having a more holistic understanding of relationship ending (Section 2.2.3).

Likewise, in this study taking such approach was found useful in investigating the different issues that relate to the dissolution as opposed to just examining the reasons for dissolution. Process-oriented approach also lead to the anticipation that types of dissolution differentiated by process might emerge. However, in this particular study the data showed that analyses

based on the different types of customers that emerged was more appropriate in differentiating between different types of dissolution. Hence the dissolution types that emerged relate to three customer types identified partly on the basis of the benefit(s) they sought from the affinity card when they initially took it (i.e. symbolic, contribution or functional). For this reason, from this point onwards the discussions on dissolution type places emphasis on customer type.

Typologies and their potential use in providing an explanation of the cases being investigated were discussed in the design of the conceptual framework (Chapter 3). This study anticipated different types of dissolution to emerge. Roos and Strandvik (1996) suggest that an ending process could be described by the initial state of the relationship, the trigger invoking the ending process, the nature of the process itself and the final outcome state. In Chapter 5 the initial state of the relationships (C-AG, C-ACC-AG, and C-SP) were described, in Chapter 6 the triggers and participants' reaction to the triggers were described and finally in this chapter the a holistic picture of the different types of dissolution and the outcomes are discussed.

The chapter starts off by briefly describing each type of consumer (typology groups) that emerged. It then discusses the procedure for generating the typology groups. Finally, it presents a detailed discussion of each typology group supported by examples and prototypical case study summaries.

7.2 Typology Groups: Explorers, Communicators and Supporters

The analysis elicited three types of consumers: 'communicators', 'supporters', and 'explorers'. These types were based on the strength and nature of participants' C-ACC-AG relationship, the benefit participants sought from the affinity card and the commonality participants showed

in respect to the positive, negative, positive and negative, or no consideration they had for their affinity group during the process of dissolution.

The **explorers** are those who took out their affinity cards primarily to take advantage of special offers, to fulfil their curiosity or to try something new (individual-functional benefit). As such, the explorers had a weak C-ACC-AG relationship. For the explorers, the triggers of the dissolution and their responses with respect to two of the mediating variables (exit barrier and communication) varied. However their experiences with regard to the mediating variable 'affinity group considered' were similar. The explorers showed minimal (weak but positive) or no consideration towards the affinity group during the process of dissolution.

Communicators subscribed to their affinity credit cards mainly for the individual-image related benefit it gave them. For example, the communicators used the affinity credit card to communicate their profession, as part of their identity, and/or to project the status they perceived the affinity credit card gave them. Further, the strength of their C-ACC-AG relationship was either very strong or somewhat strong. As with the explorers there was no pattern in what triggered the dissolution or in the first two mediating variables (exit barrier and communication). However when it came to the consideration the participants gave the affinity group, most of the communicators (seven) had a negative opinion towards the affinity group and /or the affinity credit card scheme. Negative feelings stemmed from dissatisfaction with the group, the symbolic value of the card fading or priorities changing.

For the **supporters**, the main reason they took out the affinity credit card was to give financial support to the affinity group through the affinity card (group-functional benefit). The very

strong or somewhat strong desire these participants had to support the affinity group influenced the development of their C-ACC-AG relationship. Again, as with the communicators and the explorers there was no similarity in the triggers and the first two mediating variables but with regard to the mediating variable ‘consideration to the affinity group’, the supporters were in a dilemma with regard to the concern they had for their affinity group. All the supporters showed positive and negative consideration towards the group. The positive view of most of the supporters was similar and related to the notion of any contribution to the affinity group being important. However, the source of the negative opinions varied. The negative views the supporters had were directed at ‘themselves’, the ‘affinity groups’ or the ‘service providers’.

7.2.1 Generating the Typology Groups: Key Dimensions and the Pattern

The procedure for generating the typologies involved identifying what sort of relationship, if any, existed between two (or more) variables or dimensions in the matrix constructed (Appendix 5).

Using a matrix which displayed the full data collected (Appendix 5) and backed up by the case study summaries, relations were found among (i) the strength of the C-ACC-AG relationship (at the beginning of the C-SP relationship); (ii) the benefit(s) sought from the affinity credit card (demonstrated by the reason(s) the participants took out their affinity cards); and (iii) the consideration that the participants gave to the affinity group during the process of dissolution. Thus the types were generated by relating the state of the relationship at the beginning with the participants’ opinion of the relationship at the end. From here on the related variables are referred to as ‘key dimensions’ given that the relations among them contributed in the

formation of the typology groups ‘explorer’, ‘communicator’ and ‘supporter’. Table 17: ‘classification of the typology’ provides an outline of the key dimensions used, against each type of customer that emerged. In-depth discussion on each type follows next (Sections 7.3-7.5).

Table 17: Classification of the Typology

TYPOLOGY Supporting literature:	Explorer Gabriel and Lang (1995)	Communicator Gabriel and Lang (1995)	Supporter Worthington and Horne (1992-2000) J. Vela-McConnell(1999) Intel (2004)
Dimensions (& sub-categories)			
1. Strength of the C-ACC-AG relationship (<i>Very Strong, Somewhat Strong, Weak and None</i>)	Weak	Very Strong or Somewhat strong	Very Strong or Somewhat strong
2. Benefit(s) sought from the affinity card (<i>Benefits: Individual- functional, Individual-image, Group- functional and /or Group-image</i>)	Individual-Functional¹ IF Group-Functional ² GF	Individual-Functional¹ IF Individual-Image¹ II Group-Functional ² GF	Individual-Functional¹ IF Group-Functional¹ GF
3. Consideration given to the affinity group (<i>Yes Positive, Yes Negative, and No Consideration</i>)	Yes (Positive feelings) or No Consideration	Yes (Negative feeling) or No consideration	Yes (Negative & Positive feelings)

¹ This benefit was sought by all participants in that group.

² This benefit was sought by only some of the participants in that group.

7.3 C-SP Relationship Dissolution for the Explorer

This sub-section outlines how the dissolution unfolds and is supported by a discussion of the relations among the key dimensions, with examples and quotes taken from the participants’ case studies. It begins with a discussion of why and how a participant was identified as an explorer and any link this typology had to existing literature (Phase One: the state of the relationship). Next the trigger, the role of the mediating variables are outlined (Phase two-four). Here the focus on the mediating variable ‘affinity group considered’ and the

participants' response. Then, participants' views on the aftermath of the C-SP relationship dissolution on the C-AG relationship are presented (Phase Six). Finally, to provide a comprehensive understanding of the process of dissolution, two prototypical case study summaries are presented. A similar format was followed for subsequent sub-sections relating to communicators (7.5) and supporters (7.6).

A summary of the finding which highlights the key dimensions that underpin the typology – explorer is presented in Table 18. For clarity the key dimensions have been shaded.

Table 18: The Explorer

				C-ACC-AG Relationship							TRIGGERS OF		MEDIATING VARIABLES							
							IF – Individual Functional II - Individual Image GF – Group Functional GI - Group Image							Communication:						
PSEUDONYM	Affinity Group	Link with the affinity group	Relationship with the AG	Strength of the C-ACC-AG Relationship	1st Reason-taking out affinity card	2nd Reason-taking out affinity card	IF	II	GF	GI	Relationship with the SP	Trigger - 1st reason	Trigger - 2 nd & 3 rd reason	Exit Barrier:	C>SP:	To resolve	SP>C:	Lapsed credit card	Re credit card	AG Considered or Not:
Sally	P	Non-compulsory	Somewhat Strong >Weak	Weak	Balance transfer	0% on purchase	X				Indifferent	0% offer on balance/spending		Debt	X					Y (+)
Alice	P	Non-compulsory	Somewhat Strong	Weak	to build credit rating	to manage business finance	X				Very Strong > Weak	Dissatisfied with service provider	Reward (air mile points)	Balance transfer	X	X	X			Y (+)
Sophia	P	Non-compulsory	No Affinity	Weak	business use	/	X				Weak	Business decision		Not affected	X					No
Jeremy	C	Personal	Somewhat Strong	Weak	Balance transfer	to support AG	X		X		Indifferent	Amalgamating finance / debt	Affinity card facility not required anymore	Debt	X					Y (+)
Caroline	C	Personal	Very Strong	Weak > Somewhat Strong	interest free period	/	X				Somewhat Strong	Always changes her cards (bargain hunter)	0% offer on balance/spending	Debt & guilt	X			X		Y (+)
Michael	C	Coincidental	Weak	Weak	Balance transfer	to support AG	X		X		Indifferent	0% offer on balance /spending	Lower APR	Debt & guilt	X		X			Y (+)
David	C	Coincidental	Weak	Weak	needed a credit card	/	X				Somewhat strong>Weak	Dissatisfied with service provider		Debt	X	X				No
Ken	C	Coincidental	Weak	Weak	free gift	needed 2nd credit card	X				Somewhat Strong	Cutting down on credit cards		Not affected	X					Y (+)

Abbreviations used: **P** – Professional Group, **C** – Charity Group, **SP** – Service Provider, **AG** – Affinity Group, **ACC** – Affinity Credit Card

Phase one: The Triadic Relationship

Gabriel and Lang (1995) suggested that contemporary consumers could be explorers of goods, the marketplaces and signs. Referring to both tangible and non-tangible goods, the authors discuss how consumers enjoy bargain hunting and how curiosity and a quest for difference also drives them. Gabriel and Lang (1995) described this type of consumer as ‘explorer’. In this study there were eight participants who exhibited the characteristics of an explorer. Due to the similarities noted the term ‘explorer’ was used to group these participants. The explorers were from varied affinity groups, three from the professional – non-compulsory and five from the charity group (charity - personal two and charity - coincidental three). These participants took out their affinity cards primarily for the individual–functional benefit offered. Generic features such as favourable interest rates, APRs, and interest free periods that may be prevalent in the adoption of credit cards in general, were identified in the development of the conceptual framework. The data showed that such competitive generic features mainly drew the explorers. The benefits sought by the explorers ranged from advantageous financial offers to a participant simply requiring a credit card. Nought percent offers for balance transfers was the most common benefit and was reported by four of the explorers, other benefits included lower APR and reward points. Related to this, the strength of participants’ C-ACC-AG relationship was weak. The benefit(s) each explorer sought are illustrated in Table 18.

The quotations that follow are typical comments, which reflect the benefit sought and the strength of the C-ACC-AG relationship for an explorer. Jeremy’s and Alice’s case study clearly show that the individual functional benefit gained from the affinity card was more important than any other benefits that the card might have offered. Jeremy explained that the affinity credit card was one of the many credit cards he took out to take advantage of a nought

percent balance transfer. Even though he had a personal connection with the affinity group his C-ACC-AG relationship was weak:

“Its purpose was 0% transfer facilitywe actually managed to pay this one off. We eventually did a small re-mortgage because we bought a little camper van to take the kids away on summer and things and we amalgamated the credit cards, the camper van and the house extension, put it all on one thing and paid off all the credit cards”

[Nvivo-BRSCharlParag.147]

Next, Alice explained how she had always used her affinity card simply as a business card to facilitate her work related transactions. Although the affinity group supported small businesses, it had no direct connection to her profession. Therefore, she did not perceive the affinity card as reflecting her profession or as having any personal connection to her. For this reason Alice’s C-ACC-AG relationship was weak:

“It was a business card, no I didn’t feel as if I was supporting it not really to me it was just there as a tool..... it was always a business transaction with a business card that was it, plain and simple never anything else. I didn’t have any ummmm it was just a card. I didn’t have any affection for it. It is just a card. It was a tool I needed at the time to maximise for myself. Which makes me sound terribly greedy, doesn’t it? It was a business card and that was that I never really mix it at all, because you could never mix your business finances with your personal finance because you can get into a total mess doing that.”

[Nvivo-GLAProf4 Parag.140 & 220]

Phase two: Triggers

For most of the explorers (four out of eight) the dissolution was triggered by more competitive offers from other service providers. For the remaining, service delivery related issues (two participants) and other personal reasons (two participants) triggered the process. Furthermore, those who had switched to a competitor indicated that they were generally more inclined to take advantage of or be on the look out for service providers that gave them a better individual benefit.

Phase three: Mediating variables & Phase four: Response to trigger

The participants' response to the trigger depended on the nature of the trigger and the participants' perception of the C-SP relationship at that point; as a result it varied. Consequently the role of the mediating variables, particularly 'exit barrier' and 'communication' differed from one case to another. Debt was a common exit barrier experienced by some of the explorers. Five of the explorers had a debt on their affinity cards at the point they decided to end their C-SP relationship. How each of these participants dealt with their debts and reacted to the trigger is discussed in detail in the individual case studies. However, the considerations the explorers gave to their affinity groups were similar. Further these similarities supported the identification of the typology group and helped to differentiate the processes of dissolution. Therefore, consideration given to the affinity group is discussed in detail next.

Consideration Given to the Affinity Group

Six of the explorers showed positive but weak consideration and the remaining two showed no consideration, towards the affinity group when they ended their affinity credit cards. The role that the affinity card had in representing the group was positive but weak, regardless of the strength of the C-AG relationship. This could be attributed to the low level of interest the participants had in the affinity credit card scheme at the outset. Although explorers were never deeply connected to their affinity groups through the card, they still thought that the scheme was a good idea. Explorers did not give the affinity group much thought in terms of how the group may have benefited from the affinity card.

Michael explained that financial benefit(s) would be his primary concern when he considered taking out any credit card (individual-functional benefit). Nonetheless, Michael also believed that an affinity card scheme was a good idea and felt a little guilty when he decided to cancel the card:

“umm..., the process was really easy to terminate the card, in terms of how you cancel a normal credit card they are all the same, but in terms of cancelling it because it was the X(affinity card) there was a bit of a feel bad factor there. But I cancelled it anyway there was nothing else.....I didn't really want a credit card, where I had to pay interest, and there were other credit cards out there which were offering like zero percent APR for nine months. The APR was the same again a bit better. They have all got very similar features. It is just when the time runs out umm I think they call us the credit card tarts or something like that. So it is just switching from one to the other and that is the reason I cancelled for my financial benefit.”

[Nvivo-NOTChar4]

Jeremy's low consideration towards the affinity group was similar to Michael. Overall Jeremy considered the affinity card to be a good idea, but when it came to cancelling the card he did not feel that the group had any impact on his decision:

“.....So when we got the card, we thought, oh that is nice, but when we came to cancel it, it wasn't a contributing factor, as in, we should keep this going because it's the (affinity group).”

[Nvivo-BRSCar1 Parag.179]

In the next example, David explained that the card was a good idea to start with but he did not give the affinity group any consideration when he ended the card. David explained that the notion of the card being linked to a charity organisation disappeared when he got caught up with the debt that he had accrued on it:

Interviewer: “Over that period, how did you feel about that card?”

David: “It was like a burden. It was like something is hanging round my neck and pulling me down. I mean, it wasn't that much it was only two and a half thousand pounds, but it just felt like a massive burden.”

David: “So I think it's a combination of not getting the customer service I wanted. It made me completely forget what whole thing was for in the first place. It just threw you off, basically.”

[Nvivo-NOTChar4 Parag.93 & 105]

Phase six: Aftermath

Generally, the explorers did not negate the affinity group. The dissolution of the C-SP relationship did not have any impact on the views that the explorers had regarding their C-AG relationship. For those whose perceptions of the C-AG relationship changed, the change was not related to the dissolution of the C-SP relationship. As already illustrated in the discussion on the state of the relationship (Phase one) the C-ACC-AG relationship was highly functional in its nature and the participants used the card to get the best deal they possibly could for themselves. Two of the explorers, Caroline and Jeremy, had actually anticipated that they would end their affinity credit cards soon after the nought percent offer ended. Thus, they had premeditated the dissolution of their C-SP relationship, with just their own individual benefits in mind.

To give a comprehensive understanding of the triadic relationship for an explorer and how this affected and differentiated the process of the C-SP relationship dissolution, two sample case studies are introduced next. The remaining case summaries for the explorers are included in Appendix 7.

7.3.1 Case Studies for Jeremy and David

The first case demonstrates how Jeremy's desire to fulfil his individual benefit led him to take out his affinity credit card, and then at a later stage, how he was attracted by a more competitive offer from another service provider. For Jeremy, the emphasis he gave the C-ACC-AG relationship had always been low. Consequently the consideration he gave to the affinity group during the process of C-SP dissolution was minimal.

Jeremy: Explorer (M) 38, Charity (Personal), held the affinity card for two years and had been a member of the affinity group for six years

Brief Profile

Jeremy was married, with two young children and had a very busy life. He described himself as “a bit of an IT geek”. Moreover he worked in the Information technology industry. He indicated that, financially his family was at a stage where they wanted to amalgamate all their debts. His interest included supporting charitable causes and as a family they funded a couple of charitable causes, one of which was the affinity group that was linked to the affinity card he had.

The Triadic Relationship (C-AG: Somewhat Strong, C-ACC-AG: Weak, C-SP: Indifferent)¹

Jeremy’s involvement with the affinity group started about ten years ago, when he decided to get a dog, with his wife, from X (affinity group) dogs’ home. When the dog died, they set up a direct debit donation, for the affinity group. He wanted to get more involved in charity activities, but he felt that having a young family and with a busy occupation, he had no time to do so.

He heard about the affinity card when, together with his wife, they started considering how to manage their finances and came across the card whilst they were looking for a 0% balance transfer. Although they were aware of the contributions that went to the affinity group through the card, and agreed with it, that was not the major attraction of the card.

“After we got married we had built up a bit of a bill and we started juggling our money between one credit card and then another and all of a sudden everybody started, 0% credit cards and balance transfer so that you can transfer your balance on to a card. So we transferred the balance over and we tried to pay it off. And if we didn't pay it off, we would cancel that card and we would go on to another card, and that is how basically, I came across the credit card, because it was a nought percent credit card at the time. I did agree with its philosophy but we were also paying donation anyway.” [Nvivo-BRSCar1 Parag.11]

¹ Abbreviations used:

C-AG = participants relationship with the affinity group,

C-ACC-AG = participants relationship with the affinity group through the affinity credit card, and

C-SP = participants relationship with the service provider

Jeremy did not use his affinity card frequently and consequently he did not have many interactions with the service provider. For this reason he felt that the relationship he had with the service provider was no more than transactional. Nonetheless he was satisfied with the general service during the time he had the card. Furthermore he did not consider his affinity card as his main credit card.

Nature of the relationship through the affinity credit card

Individual-functional benefit – Primarily 0% on balance transfer

Group-functional Benefit – Contribution to the affinity group

Primary trigger: Service provider – Competitor induced

For Jeremy the affinity credit card was the last of the many credit cards with 0% balance transfer that the family used to facilitate their debt. Therefore in his opinion, the affinity card had served the main purpose that they took it out for.

Role of Mediating Variables in the Process of Dissolution

Jeremy described the dissolution process as 'straightforward'. The debt he had on the card was a barrier to the cancellation, since it was the reason he had kept the card as long as he did. Once he was in the position to rearrange his finances and pay off the debt he called the service provider to inform them that he would like to cancel the card. The service provider had then requested he cancelled in writing, which he did. He also reported that his wife got involved in the communication with the service provide, since he was very busy. His wife was the one who finalised the cancellation of the card. Jeremy does not recall the service provider encouraging him to keep the card. Overall, the dissolution process took between one to two weeks.

Consideration given to affinity group: Yes (Positive feelings)

The card was not the main source of Jeremy's contribution to the affinity group. Therefore he did not feel guilty about cancelling the card. Furthermore, on reflection, he did not see how the card could have worked for the family in terms of donation since they did not use it much.

"I didn't feel guilty because we pay the yearly donation anyway. So, I didn't feel guilty in that

respect, I guess if we had managed ourselves better, we would have kept it and made it our main card, but you know when you have all your standing order setup and all your direct debit set up.”
[Nvivo-BRSChar1 Parag.19]

On the whole, Jeremy felt that the affinity card scheme was a good idea, but when they came to cancelling the card the group did not have an influence on his decision making process.

Summary

Jeremy was identified as an explorer because of the individual-functional benefits he sought when he took out his affinity credit card. The card was acquired when Jeremy and his wife took advantage of a promotional offer of 0% interest free period, to avoid paying interest on the debts they had until it was finally paid off. Although they were supporters of the affinity group, their C-ACC-AG relationship was weak. This shows that with respect to their affinity cards, they were more interested in the individual-functional benefit it gave them. Consequently the importance they attached to the card and the consideration they gave the affinity group during the process of dissolution was minimal. Even though Jeremy felt positive about the card and he believed that it was a good idea, overall he felt that he was not giving much through the card. As for the aftermath of the experience, the process of C-SP relationship dissolution did not have any impact on the C-AG relationship Jeremy had with the affinity group he supported.

Examining the second case study that follows, David simply took advantage of the first card that was offered to him when he needed one. It was purely a coincidence that the card happened to be an affinity credit card. David liked the idea of supporting a charity through an affinity credit card at the time he was introduced to the scheme. In David's case a dispute triggered the dissolution with the service provider. By the time the process of dissolution was finalised, he had actually forgotten that the card was linked to an affinity group. Therefore the process of dissolution was not influenced by the affinity group.

David: Explorer (M) 38 Charity (Coincidental), held the card for ten years, never been a member of the affinity group

Brief Profile

David was married with one child and worked in a community-related project. In his spare time he got involved in community work related to children. With respect to making financial arrangements, he believes he became more astute as he got older. He felt strongly about the regulation of credit cards in general and expressed that credit card issuing service providers should be more regulated.

The Triadic Relationship (C-AG: Weak, C-ACC-AG: Weak, C-SP: Somewhat strong >Weak)

For David the affinity card was the only link and involvement he had with the affinity group. Moreover he commented that the only time he was reminded about the charity was when he got the card out.

David came across the affinity card whilst looking to take out his first credit card. At that time he was having difficulties in getting a credit card and the affinity credit card provider happened to be the first one to offer him one. Hence, he took out the affinity card first, simply because needed a credit card and second, from the choice of affinity cards that were offered to him he was drawn to the one that supported animal welfare. This had resonance with his interest in pets as a child.

“First and foremost, obviously I wanted a card and X(service provider) were one of the few people that took me on because of the level of my salary at the time. They were one of the few people that actually took me on and as I said I had the choice of about three different ones. And I thought that one was most worthy because growing up, I used to have a lot of pets.” [Nvivo-NOTChar4 Parag.19]

David’s relationship with the service provider used to be somewhat strong because they were the first service provider to offer him a credit card. Initially David used his affinity card a lot, for example for holidays, shopping etc. After a while he stopped using it because he had too much debt on the card and he had also subscribed to other credit cards. His relationship deteriorated at the point when he started to encounter problems with paying his debt. His disappointment with the customer service representatives coupled with his own negative response to them eventually

led to the weakening of the C-SP relationship.

Relationship through the affinity credit card: Functional

Individual-functional benefits – He needed a credit card

Primary trigger: Dissatisfied with service delivery

After about four years of using the card, David accumulated debt, which he found difficult to repay. David had a disagreement with the service provider during the negotiation of the terms of repayment. At this point, David felt unheard and thought that service provider was not concerned about his welfare or his preferences. Although he was disappointed with how the service provider handled his problem, he also indicated that the problem was further aggravated by his rude response to the service provider. At that point the affinity card had become a burden to him and he had decided to cancel it as soon as he repaid his debt.

Role of Mediating Variables in the Process of Dissolution

For David the debt was a functional barrier which deterred him from cancelling the card sooner.

It took him about six years to repay all the debt and felt that the cancellation process was a “shamble”. Initially, when he anticipated that he would have a problem with the repayments he did communicate with the service provider a number of times in an attempt to resolve the problem. Once he had made arrangements as to how to pay off his debt the only correspondence he had with the service provider was the administration of the repayment.

Once David had paid off the last statement he did not get any correspondence from the service provider. Reflecting back on the dissolution process, David felt the service provider was uncaring and that the whole situation could have been handled better.

“When I realised that all I had was a couple of hundred pounds I paid that straight away, and then I didn't hear anything else from them. So it's almost like they cancelled it themselves. Well, that's what it felt like anyway. There was no thank you for making us so much money after ten years or whatever you know there, was none of that if someone had called over the years just to see how things were progressing then the thing about the customer service wouldn't have left so much of a sour taste, or even if they wrote to me and said thank you for paying off your credit card or even phoned and said thank you for paying off your credit card blah blah blah. Then that would be fine, but there was none of that.”

[Nvivo-NOTChar4 Parag.320]

Consideration given to affinity group: No consideration

When David took out the affinity card, he felt that promoting the group through the card would be a good idea. However, once he got caught up in trying to clear the debt he had on the card he indicated that the notion of the card being linked to a charity organisation had already disappeared.

Interviewer: "Over that period, how did you feel about that card?"

David: "It was like a burden. It was like something is hanging round my neck and pulling me down. I mean, it wasn't that much it was only two and a half thousand pounds, but it just felt like a massive burden.....So I think it's a combination of not getting the customer service I wanted. It made me completely forget what whole thing was for in the first place. It just threw you off, basically." [Nvivo-NOTChar4 Parag.105]

Summary

David was identified as an explorer because of the individual-functional benefit he sought when he first acquired the affinity credit card. David was attracted to the affinity card by the opportunity that the service provider offered him to own his first credit card. Thus he was introduced to the affinity group through the card. Although having the card made him feel good, it was not a contributory factor for him getting the card. Hence the card was a weak link to the group. When he ended his affinity credit card he had actually forgotten that the card was linked to an affinity group. This could partly be attributed to his negative experience he had with the service provider. Thus, he did not give the group any consideration during the process of C-SP dissolution. David's interest in the group had changed during the period he had the affinity credit card, but this was not an aftermath of the dissolution of the C-SP relationship.

Case Summary

The nature of the C-AG relationship Jeremy and David had varied. But the C-ACC-AG relationship both had was weak. The reasons or circumstances under which these participants took out their affinity credit cards and then at a later stage, why they decided to cancel their cards also varied. However, clearly both participants were mainly motivated by the individual-

functional benefit(s) the card had offered rather than by the support the card provided to the affinity group. The triggers of dissolution also varied, for Jeremy it was the ending of the opportunity which he initially took advantage of, whereas for David, it was the dispute he had with the service provider. Consequently both participants sought other opportunities that would minimise their loss or maximise their future individual-functional benefit. In Jeremy's case he sought out alternative financial arrangements which accommodated his debt better. In David's case he opted to keep another more competitive credit card which he had at the time. In conclusion, all the key decisions Jeremy and David made regarding their affinity cards revolved around maximising individual-functional benefit, which is typical of an explorer. This was further corroborated by the minimal or low consideration they showed towards the affinity groups during the process of C-SP relationship dissolution.

7.4 C-SP Relationship Dissolution for the Communicator

A summary of the findings illustrating the key dimensions that underpin the typology communicator and the process of the C-SP relationship dissolution is presented in Table 19.

Table 19: The Communicator

			RELATIONSHIPS								TRIGGERS			MEDIATING VARIABLES						
			C-ACC-AG Relationship											Communication:						
PSEUDONYM	Affinity Group	Link with the affinity group	Relationship with the AG	link to affinity group through affinity card	1st Reason-taking out affinity card	2nd Reason-taking out affinity card	IF	II	GF	GI	Relationship with the SP	Trigger - 1st reason	Trigger - 2 nd & 3 rd reason	Exit Barrier:	just to end	to resolve	to retain customer	lapsed credit card	re credit card	AG Considered or Not:
Linda	P	Compulsory	Somewhat Strong >Weak	Very Strong > Weak	higher credit limit	AG link & status	X	X			Indifferent	0% offer on spending/ balance	Lower APR offer	Debt	X		X			Y (-)
Greg	P	Compulsory	Very Strong >Somewhat Strong	Very Strong > Weak	AG link, no annual fee, status & credibility	to support AG	X	X	X		Indifferent	Disillusioned by affinity group	Cutting down on credit cards -reward (cash back)	Not affected	X		X			Y (-)
Richard	P	Compulsory	Somewhat Strong	Very Strong	needed a card, discount & Status	to support AG	X	X	X		Indifferent	Balance transfer to lower APR		Not affected	X					Y (-)
James	P	Compulsory	Very Strong > Weak	Very Strong > Weak	AG link	Status	X	X			Indifferent	Reward (points)		Not affected				X		Y (-)
Brenda	P	Compulsory	Very Strong	Very Strong	AG link, status & credibility	insurance	X	X			Indifferent	Reward (air mile points)	Cutting down on credit cards	Not affected	X		X			Y (-)
Alan	P	Non-compulsory	Very Strong > none	Very Strong > none	to support a 4th party linked to acc & identity	to support AG & promote AG	X	X	X	X	Somewhat Strong	Changed AG (affiliation)		Affinity group & guilt	X		X			Y (-)
Kelly	P	Non-compulsory	Weak ->No Affinity	Somewhat strong	to support a 4th Party linked to acc	acc seen as company card, prestigious	X	X			Weak >None	Reward (air mile points)		Not affected	X					No
Patricia	P	Non-compulsory	Very Strong	Somewhat strong	balance transfer & reflection of identity	to support AG & promote AG	X	X	X	X	Indifferent	0% offer on balance/ spending		Debt	X					Y (-)

Abbreviations used: P – Professional Group, C – Charity Group, SP – Service Provider, AG – Affinity Group, ACC – Affinity Credit Card

Phase one: The Triadic relationship

Consumers use material objects not just as objects satisfying different human needs, but also to express social differences as well as personal meanings and feelings (Gabriel and Lang, 1995). The authors described such consumers who used objects for their symbolic value as ‘communicators’. Similarly, this notion of using objects beyond satisfying functional needs was demonstrated in this research. Eight of the participants (professional compulsory = five and professional non-compulsory = three) closely reflected what Gabriel and Lang (1995) described as a communicator. The symbolic nature of an affinity credit card associated with the image was one of the common individual-image benefits reported by these participants. Thus, it was felt that it would also be appropriate to use the term ‘communicator’ to identify this group. The communicators used the card as an object to convey or communicate their profession, as part of their status, credibility, importance or identity. Individual-benefit, with emphasis on the image of the card, was the primary reason most of the communicators took out their affinity credit cards. For communicators the C-ACC-AG relationship was found to be either very strong (six participants) or somewhat strong (two participants). As noted in Chapter 5, this may be attributed to some of the unique factors which were part of the development of the C-SP relationships at the outset. This included feelings of association, connection, and identification with the affinity group that the card provided.

A detailed list of the benefit(s) sought by each participant is outlined in Table 19. Examples of the very strong or somewhat strong C-ACC-AG relationships reported by some of the communicators follow next. Greg explained why he thought the card would give him credibility. Greg was also quite involved in the group in a number of ways.

Interviewer: “What benefits?

Greg: “Right, it was no annual fee, nought per cent interest on transfers for up to five or six months, the APR was about 12 or something percent, plus I thought, by joining them it might give me a bit more credibility since I was a member of that organisation, because I am a member or a fellow member without the credential arbitration so I thought it would give me some sort of credibility, but anyway, that is the reason I joined.”

[Nvivo-LNDProf5 Parag.32]

For Alan the card represented more than just his professional identity. The income from the card went to a charity that supported children, which Alan was very happy to contribute to:

Alan: “I felt content, I suppose a little satisfaction knowing that, knowing that some small benefit was being made from me spending money. And also just how that linked to my identity, I suppose me being a ‘X-profession’ as well there was that little satisfaction.”

Interviewer: “So was it a little bit a show of identity and a reflection of your profession?

Alan: “Yeah definitely yeah definitely a show of identity in being a ‘X-profession’ being supportive you know being a teacher because I want to raise, students and improve students rather than for any kind of selfish reasons. Plus concern for children, myself having children and the idea of X (charity) and supporting that as well. So yes it was the kind of fair overall reflection of my identity.”

[Nvivo-BRSPProf3 Parag.163-7]

Overall, functional and symbolic (individual-functional and individual-image related benefits) contributed to the type of relationship communicators had through their affinity cards. The individual-image benefit associated with the C-ACC-AG relationship was unique to communicators and was one key dimension that differentiated this group from explorers and supporters.

Phase two: Triggers

Similar to the explorers, for most of the communicators (six) the dissolution was triggered by core service related issues such as more competitive offers from other service providers. For the remaining two, affinity group related issues triggered the dissolution.

Phases three-four: Mediating variables and Response to trigger

The majority of the communicators (five) were not affected by exit barriers. For the remainder, two had a debt and one was affected by the relationship he had with the affinity group. For the most part the nature of the trigger and the participants' perception of the C-SP relationship at that point determined the extent to which an individual engaged in communication. As it so happens the communicators did not try to retain the C-SP relationship, they only contacted the service provider to end the relationship. However, the service provider did attempt to retain its customers in four of the cases. The similarities in the consideration that the communicators gave to their affinity groups are discussed in detail next.

Consideration Given to the Affinity Group

The majority of the communicators (seven) gave negative consideration to their affinity groups whilst the remainder (one) gave no consideration. Gabriel and Lang (1995) suggest that the significance of most objects that were once desired and subsequently purchased fade away quickly. Similarly, in this investigation, some of the participants indicated that the excitement the card's image gave them had faded after some time. In other instances the importance of the card faded for varied reasons, for example expectation from the affinity group not being met, dissatisfaction with the affinity group and participants' financial priorities changing.

Weakening of the C-AG relationship due to dissatisfaction with the group often led to participants limiting or breaking the attachment they had with the affinity group. Actions taken to reduce or limit the C-AG relationship were only noted amongst the professionals that had a compulsory membership with the group. Some of these participants resorted to reducing their support and involvement by not attending their group's non-compulsory activities or events.

Others stopped their support by discontinuing using products and services endorsed by the group. For example, they stopped using the affinity credit card because they were less eager to communicate their professional status through the card. However, the relationship or official link they had with the affinity group was maintained since they did not have the option to opt out. Some of the participants with compulsory membership felt that they were in a restraining relationship because their membership was a requirement in order for them to practice in that profession (James, Linda and Greg).

The quotation below illustrates the negative consideration that some of the participants showed towards their affinity groups when they ended their affinity credit cards. Greg thought:

“Well it's a bit cynical, but one of the reasons I gave it up was because they pay their chief executive (referring to the affinity groups executives) something like, in excess of quarter of a million pounds a year, which I will never earn. And as a matter of principle more and more people chose to revolt because they voted to give their president more money and I think that is ridiculously high money. If I was supporting their affinity card or a business activity, whilst still accepting high fees just to pay somebody else's extortionate salary, as a matter of principle, I and a few other people objected to that.”

[Nvivo-LNDProf5 Parag.88]

For the reasons above Greg held negative feelings towards the group and had no qualms about cancelling the affinity card.

Where the participants had a non-compulsory relationship (membership), they had the option to end their membership. As such, one participant with non-compulsory relationship (Alan) chose to end his membership first and shortly after he decided to end his affinity card. For Alan his regret was the loss of the contribution that used to go to the fourth party (a charity) which the card was also linked to. With regard to the affinity group, he was not concerned about his membership ending because his support for the group had weakened over time. When questioned about feelings associated with ending the card Alan's response was:

Alan: “not leaving the association so much or getting rid of the credit card but the charity yes”

Interviewer: “Because it is linked to the Y (charity)?”

Alan: “If there was any sense of regret, or any kind of doubt whether I should or I should not get rid of it, it was through the charity aspect of it and not the professional association or the card or the interest rate or anything related to that, yes it was the charity side.”

[Nvivo-BRSProf3 Parag.176-180]

Phase six: Aftermath

For most of the communicators, there was no association between the C-SP relationship dissolution and their feelings towards the affinity group. However, in one case, Greg’s, the C-SP relationship exacerbated the negative feeling he was beginning to feel towards the group. Thus he was happy with the dissolution because in his view it lessened the support he gave to the group. However, there were cases where the participants regretted ending their affinity card because they felt they had lost the symbolic value it gave them. Here the consideration was directed at their loss rather than the loss for the affinity group - this was taken to imply negative consideration in view of the affinity group’s concerns. This implies that although the importance attached to that particular card faded, this group of communicators still had the view that communicating one’s identity or status was important.

The next section presents two prototypical case study summaries, Linda’s and Richard’s, to illustrate how being a communicator affects the beginning and the dissolution of a C-SP relationship.

7.4.1 Case Studies for Linda and Richard

The two case study summaries presented here demonstrate how and why Linda and Richard were identified as communicators. The remaining case summaries for the communicators are included in Appendix 8.

Linda's case study demonstrates how she was identified as a communicator. As a newly qualified professional, she felt that the affinity card gave her importance. This individual-image benefit associated with a communicator was demonstrated once more when Linda replaced her affinity credit card with another credit card, which she also perceived gave her status. During the time Linda decided to end her affinity credit card the strength of her relationship with the group was diminishing and this partially led to her giving a negative consideration to the group.

Linda: Communicator (F) 28 Professional (compulsory), held the card for two and a half years and had been a member of affinity group for three years

Brief Profile

Linda was a single professional who had been working in the legal field for five years. She qualified in her profession three years ago. She was proud of her profession and what she had achieved so far in her career. Since she bought her property recently, her priority regarding her finance had changed and she now wanted to secure the best deal she possibly could for herself. In her spare time apart from socialising she enjoyed working for her favourite charities.

The Triadic Relationship (C-AG: Somewhat Strong>Weak, C-ACC-AG: Strong>Weak, C-SP: Indifferent)

Linda became a member of the affinity group once she qualified. Membership of the affinity group was compulsory in order to practice in that field. Linda was enthusiastic about the group when she first joined. She also took advantage of what the group offered from time to time. For example, she had also considered a mortgage offered through the group when she was buying her property. In addition, she used services such as the members' library. However, the positive opinion Linda had with regards to the group and her view of the group's value to its members had declined over time as she got more cynical about the group's role. For example, she felt that the membership fee was too high, and that the compulsory work-related training

members had to take was too expensive and could be completed in half the time that was imposed by the group.

Linda came across the affinity credit card in one of the group's gazettes soon after she qualified. She took out the card primarily for the high credit limit it gave her which enabled her to have more financial freedom. She also felt the card gave her a bit of (professional) 'kudos'. Linda felt good when she used the credit card when she was with clients. However, she was more reserved about using it in the presence of her friends. The affinity card was her main credit card during the period she kept it.

"...yeah, it was the platinum one and I thought well it looks quite posh. I think at the time the reason I liked it was because they would give me a higher credit limit than anything else, but not necessarily a lower rate of interest but the credit limit would have been higher. So, that is really why I applied"

"I think in some places to be fair, if I was in a posh restaurant and if I was taking clients out for lunch or something, and you know if I want to feel a little bit more important I would probably take out the 'X-Affinity group' card. You use it to your advantage, if you could, but I don't use it for any personal kind of kudos"

[Nvivo-LNDProf1 Parag.22 &110]

As for the C-SP relationship, Linda relied fully on her affinity group's judgement in partnering with a credible service provider. Generally, Linda's interaction with the service provider was minimal because she had set up a direct debit to cover the minimum monthly payments. Further, she never had any problem with the service delivery and was satisfied with the service she used. Apart from her statements Linda did not pay much attention to the communications that were sent to her via post. Therefore the opportunity for a relationship to develop between her and the service provider was minimal and as such the relationship she had was more transactional. Furthermore, Linda used the card more during the first year she had it. After that it was dormant for about a year because she started using another credit card.

Relationship through the affinity credit card:

Individual-functional benefits: to increase her credit limit.

Individual-image benefit: to give her a sense of status.

Primary trigger: Service provider triggered – Competitive offer

Linda had reached the spending limit on her affinity card, which restricted her from spending any more on the card. This prompted her to control her spending and to take measures to minimise the debt on her affinity card. For this reason the affinity card was dormant for nearly a year. After a while Linda was paid a bonus, which enabled her to pay-off all the debt on her affinity card. At this point Linda was also thinking about getting another credit card which gave her a better financial deal than her affinity credit card. Once she cleared her balance, Linda decided to cancel her affinity card and take out 'X-bank's' credit card, which gave her better financial benefit such as 0% on balance transfer and a lower APR. Given that her priority has changed to securing the best financial deal, she felt that keeping the affinity card was pointless if she was not going to use it.

Role of Mediating Variables in the dissolution of the C-SP relationship

Initially the debt Linda had on her affinity credit card acted as a barrier, its impact was to prolong the process until the debt was cleared. Once the balance on the card was fully paid the administrative process of cancelling the card was straightforward and took about six weeks. The dissolution process entailed two forms of communication. The first was from customer to service provider, when Linda called the service provider to cancel the affinity credit card. The second was from service provider to customer, when the service provider tried to persuade her to keep the card, after she informed them of the cancellation. But since she had already made up her mind to cancel the account she was not persuaded. Subsequently, she received a letter from the service provider confirming the cancellation of the card.

Consideration given to affinity group: Yes (Negative)

Linda felt the group charged too much for membership and training. She also indicated that she did not share the group's concerns and that she was not aware of how the group benefited from the scheme. Furthermore, she had acquired another card which she felt could replace the symbolic value attached to the affinity card.

Interviewer: "okay, but now that you don't have it, how do you feel about it? Like you said, if you were to take clients out to a restaurant and..."

Linda: “well now I have a company corporate card, so I guess that replaces it. You know, it's got corporate card written on it so that replaces it so in that respect, if it was kind of being used in a professional manner say if I am taking clients out for lunch I would use the same. I wouldn't have the 'X-Affinity group' card but I would have the corporate card”

[Nvivo-LNDProf1 Parag.112 &114]

Summary

Linda took out the affinity card for the individual-functional and individual-image benefits it gave her. Linda emphasised the importance of the symbolic value she perceived the affinity credit card gave her as a newly qualified young professional. For this reason she was identified as a communicator. Her perception relating to image was reflected by the strength of the C-ACC-AG relationship she had, which was also strong to start with. This relationship had weakened when it came to cancelling the affinity card and Linda did not give the affinity group much consideration either. The lack of consideration was partly due to the interest she developed in securing the best financial deal for herself and partly due to negative feelings she had developed towards the affinity group.

Linda's desire to communicate her identity was reflected, once more, in the perception she held regarding the new corporate credit card she acquired. For Linda, the symbolic value the affinity card gave her was replaced by a different credit card (a company corporate card) that fulfilled the same desire. The aftermath of the C-SP relationship dissolution did not influence Linda's views on the affinity group. Her view of the group gradually changed over time.

Referring to the next case study, Richard took out his affinity credit card for its individual benefits. Richard's desire to communicate his professional identity through a credit card led to him being identified as a communicator. Richard was impressed by the credibility that he perceived the affinity card gave him. His biggest disappointment after he ended the credit card was the loss of status which he believed the card symbolised. The minimal consideration he gave to the affinity group during the process of dissolution is also a common feature exhibited by most of the communicators.

Richard: Communicator (M) 25, Professional (compulsory), held the card for two and a half years and had been a member of affinity group for three years

Brief Profile

Richard was single and lived alone. He enjoyed travelling and played rugby in his spare time. He worked for stockbrokers at a major bank. The affinity card was his very first credit card. Generally, he used it for major expenses or when he travelled.

The Triadic Relationship (C-AG: Somewhat Strong>no affinity, C-ACC-AG: Strong>none, C-SP: indifferent)

Richard worked for the organisation his affinity credit card was associated with for about two years. During that time he was hoping to get qualified in that field and was in the process of doing the professional exams. Unfortunately, he did not feel he was getting enough support from the organisation he was working for and from the affinity group that was associated with it. Subsequently, he resigned from his job and decided to change his profession. As a result the compulsory membership he had with the affinity group ended. During the period he was with the affinity group, he occasionally took part in the group's social events and also took advantage of any discounts he got through the affinity card. In general he felt that being part of a professional institute attached to one's profession was important.

Richard had never had a credit card prior to his affinity credit card and thought that it would be a good idea to have one to pay for holidays and other large expenses. He thought that the card benefited the group in some way but was uncertain as to how. As for the individual-image benefits, he felt that 'it gave him a bit of an air' and made him feel confident. The other benefit that attracted him was the discount offered through the card, which included certain book shops and venues.

"It almost gave you, I don't know a bit of an air about yourself. I don't know if that is the right word but people would take notice when you give your card, it is more like oh is this person is an 'X' (his profession). It's a bit more authority I guess"

[Nvivo-GLAProf3 Parag.89]

Richard commented that he was not very proactive with looking at his statement. He only contacted the service provider to pay his bills (cheque or phone). Generally he was happy with the service and reported that he had “no reason to recommend them or bad mouth them”. Richard used to use the card for holidays, during Christmas and when going out for dinner etc.

Relationship through the affinity credit card:

Individual – functional benefits: he needed a credit card for travel and large expenses.

Individual – Image benefits: feeling more important and

Group – functional benefit: to support the group

Primary trigger: Service provider-Competitor induced

Richard actually cancelled the card whilst he was still with the affinity group. The service provider he held his current account with offered Richard a credit card with a lower APR than his affinity card. At that time the balance on his affinity card had accumulated and he wanted to transfer his balance to a card with a lower rate as well. Hence Richard was encouraged by the more competitive financial deal he was offered.

Role of Mediating Variables in the Process of Dissolution

Once he had decided to terminate the card he called his affinity card’s service provider to ask them if they could get the balance transferred to his new service provider. The affinity card provider informed him that it was his new service provider who would have to do the transfer, since it was not a general practice for them to give over their customer to another business. He was also advised to put his cancellation in writing which he did. He then contacted his new service provider who completed the transfer for him. He was not encouraged to stay by the affinity card provider and he did not encounter any exit barriers. It took Richard about three and a half months from the time he thought about cancelling the card to time he finalised the cancellation.

Consideration given to affinity group: Yes (Negative)

The only thought Richard had about the affinity group was from the perspective of losing the symbolic value he perceived the card had. He believed the affinity card carried some credibility and appreciated it more after he had cancelled it. The quote below shows how he used his affinity card.

“....Say if I go to a job interview over lunch or something and I can get the card that said, X institute (affinity group), I think maybe that would carry a bit of weight or influence.”
[Nvivo-GLAProf3 Parag.422]

As far as the affinity group was concerned, he had mixed feelings about their role because he did not feel that he was supported well during his training period. He had some regrets about not being able to complete the training.

Summary

Richard appreciated the affinity card as a symbol of professionalism and perceived it to carry credibility. For Richard the symbolic value he attached to the card increased after he cancelled it. Ideally, he would like to get a card that gave him financial benefit as well as status. Richard's perception of the affinity credit card he had and his aspiration to get an affinity credit card linked to a profession demonstrates that Richard is a communicator. His focus was on the personal fulfilment the card gave him and later he was disappointed that he no longer had such card that he could use to communicate his status.

Since Richard had accumulated debt on his affinity card he wanted to transfer it to a 0% interest free account, as such the dissolution was triggered by a competitive offer he came across. Once he had decided to cancel the affinity card he did not re-evaluate his decision and the communication he had with the service provider was minimal.

As for the aftermath, Richard's opinion of the group was not altered as a result of the C-SP relationship dissolution.

Summary

For Linda and Richard, having a product that they could use to communicate their professional status was important. As such they valued their affinity card for the symbolic value (individual-image benefit) they perceived it gave them. Linda and Richard were both driven by individual functional benefits when they made decisions regarding their finances and this was also one of the key reasons they took out their affinity credit cards. After a period of time, when their financial circumstance changed they decided to end their affinity credit cards and switch to a more competitive credit card that accommodated their individual circumstances better.

Further, as with most of the communicators, Linda and Richard felt that the excitement relating to the image of the affinity card had faded over time. The implication of the card's symbolic value fading is that this may make other attributes of the affinity card more attractive, thus making the decision to switch much easier. But regardless of this, it was evident that the desire to communicate one's identity or status had not disappeared. Even for the cases where the relationship participants had with the affinity group changed. In Linda's case this was reflected during the dissolution process because she actually replaced her affinity card with another credit card, a corporate company credit card, which she believed, gave her the opportunity to communicate her status if she needed to. In Richard's case, he felt at a disadvantage for not having a card that reflected his professional status anymore. Furthermore, he indicated that he would consider subscribing to another card with similar symbolic values, or even reactivating the same affinity card if he got the opportunity to do so again.

7.5 C-SP Relationship Dissolution for the Supporter

A summary of the findings illustrating the key features that underpin the typology ‘supporter’ and the dimensions that were prominent in the dissolution of the C-SP relationship are presented in Table 20.

Table 20: The Supporter

PSEUDONYM	Affinity Group	Link with the affinity group	RELATIONSHIPS								TRIGGERS		MEDIATING VARIABLES					
			Relationship with the AG	C-ACC-AG Relationship				IF - Individual Functional II - Individual Image GF - Group Functional GI - Group Image	Relationship with the SP	Trigger - 1st reason	Trigger - 2 nd & 3 rd reason	Exit Barrier:	Communication:					AG Considered or Not: (Y-Yes, N-No, + Positive, - Negative)
				link to affinity group through affinity card	1st Reason- taking out affinity card	2nd Reason- taking out affinity card	IF	II	GI	GF			↳SP:	to resolve	SP↳C:	lapsed credit card	↳AG:	
Sherry	C	Personal	Very Strong	Very Strong >weak	to support AG	Needed a 2nd credit card	X		X	X	Indifferent	0% offer on balance/spending	debt, affinity group & guilt	X		X		Y+&-
Colin	C	Personal	Very Strong > Weak	Very Strong >weak	to support AG	/	X		X	X	Very Strong	unhappy with affinity group	debt	X	X	X	X	Y+&-
Nigel	C	Personal	Very Strong > Weak	Very Strong> Weak	to support AG	tax benefit	X			X	Indifferent	unhappy with affinity group	cutting down on credit cards	affinity group & guilt	X			Y+&-
Chloe	C	Personal	Very Strong	Somewhat strong	to support AG	/	X			X	Indifferent	cutting down on credit cards	Not affected	X				Y+&-
Stuart	C	Personal	Somewhat Strong	Very Strong >somewhat Strong	to support AG	good rate & facility	X			X	Somewhat strong > Weak	dissatisfied with service provider	lower APR on balance transfer - reward (cash back)	Not affected	X	X	X	Y+&-
Matthew	C	Distant	Weak	Somewhat Strong>Weak	to support AG	/	X			X	Very Strong> Weak	dissatisfied with service provider	lower APR	Not affected	X	X		Y+&-
Grant	C	Distant	Weak	Somewhat strong	to support AG	/	X			X	Indifferent	lack of feedback from affinity group	reward (points)	Guilt	X			Y+&-
John	P	Non-compulsory	Somewhat Strong	Somewhat strong	to support AG	/	X			X	Indifferent	left the affinity group	reward (points)	Not affected	X	X		Y+&-

Abbreviations used: P – Professional Group, C – Charity Group, SP – Service Provider, AG – Affinity Group, ACC – Affinity Credit Card

Phase one: The Triadic Relationship

The data confirmed that eight of the participants contributed to the group through the affinity card scheme either, to add to their existing support (six) or as the only source of support they gave (two). Those who were extending their support took out the affinity card because it was endorsed by their affinity groups. Thus, it was from this notion of contribution and support that the typology of the consumer as a ‘supporter’ was generated. The support referred to here is mainly the financial contribution to the affinity groups. However, there were other forms of support, such as group activities and volunteering for the group, which participants could get involved in. Overall the supporters contributed to the group because they felt good about giving something back, because they believed in the cause and/ or because they believed the affinity card scheme was a good idea.

The benefit supporters sought when they acquired their affinity cards and the positive consideration they gave the affinity group during the process of dissolution shows that this group closely reflects customers that are typically associated with affinity marketing (e.g. Macchiette and Roy, 1992; Mintel, 2000 and Worthington and Horne, 1995). There were a few participants under the explorer and communicator typology groups who also supported their groups through their affinity credit cards. However, what differentiates the supporters from the explorers and the communicators was that they primarily took out the affinity card to support the affinity group. Moreover, for the supporters the C-AG relationship was not affected by the dissolution of the C-SP relationship because they still believed in the cause that the affinity group represented.

For the supporters, at the outset, the *group-functional benefit* that the affinity group got through the card was the most important feature of the card and a strong contributory factor

in them acquiring the affinity card. As such, it follows that the C-ACC-AG relationship the supporters had was either very strong or somewhat strong.

The first example (below) shows how enthusiastic Nigel was to support the group. For Nigel the card provided an additional strong link to the group. Nigel also mentioned, a secondary benefit, a tax break which he got on the contributions he made to the group:

“Actually, I have been a member of the ‘x’ for quite a number of years, and you get quite a lot of bumf and I have been a member of quite a few organisations so, and one of the things was that they had a credit card which helped to support the organisation and I was a keen, very strong supporter of the ‘x’ and so that was the reason why I had the card to use. I thought as well as getting tax benefits I will get the ‘x’ card to help them out.”

[Nvivo-NOTChar3 Parag.19]

Most of the supporters had also considered the individual-functional benefit associated with the card, but this was not their primary concern to start with. Furthermore, two participants, Sherry and Colin, acknowledged that the card also promoted the affinity groups (group-image benefit) but they did not place emphasis on this feature. At a later stage, for some of the supporters, changes in their personal circumstances made them reconsider their priorities and consequently the importance they had initially placed on the affinity card’s group-functional benefit. For example, when Sherry reached her spending limit on the card, she felt that the group was not benefiting anymore. Moreover, financially she felt that she was losing out as well and for these reasons her C-ACC-AG relationship weakened.

Phase two: Triggers

Unlike the explorers and the communicators, affinity group related issues were the main trigger for half of the supporters (four). This indicates that a supporter is more likely to be affected by changes or problems related to the affinity group. For the remainder service delivery (two), core service (one) and personal reasons (one) triggered the dissolution.

Phases three-four: Mediating variables and Response to trigger

It should be noted that an individual could be affected by more than one exit barrier. Most of the supporters (four) were not affected by any exit barriers. However, three felt guilt, two had a debt and two were also affected by the tie they had with the affinity group. For the most part the trigger and the participants' perception of the relationship at that point determined the extent to which an individual engaged in communication. Those who were dissatisfied with the service delivery and one supporter who was unhappy with the affinity group had contacted the service provider in an effort to resolve the problem. And the service provider had contacted four of the supporters in an effort to retain their custom. Further two of the supporters had contacted the affinity group regarding their affinity cards; this response was only found in this typology group. There was similarity in the consideration that the supporters gave to their affinity groups which further supported the identification of the typology group. Therefore it is discussed in detail in the next subsection.

Consideration given to the affinity group

Supporters had both negative and positive thoughts regarding their C-ACC-AG relationship and experienced a tension between these feelings. The supporters felt positive because they felt that the affinity group represented a worthwhile cause and because they believed that the affinity card generally raised more money for the group. In some of the cases supporters felt a little guilty for ending the affinity card.

The negative views or considerations relate to the supporters playing down the importance of their personal affinity card related contribution to the group. Moreover, the supporters justified why they felt this contribution was not important anymore. The justifications varied and included reasons such as: the scheme not being a priority to the service

provider, the contribution not being appreciated by the affinity group and their minimal contribution not being important to the group.

The quotations that follow illustrate both the positive, and the negative views of supporters. Overall Chloe strongly supported the idea of contributing to the group, but at a later stage she placed less importance on her affinity card donation to the group. Having tried the scheme Chloe had come to the conclusion that it did not work for her. She explained that the contribution through the affinity card was minimal relative to her overall support:

“I still donate I still give, you know my mother gives on behalf of the family. So we still give it just through a different channel, through a channel which we have always done. I mean, I feel like I'd like to help in charitable situations, causes and concerns but I thought I still do help and I also felt that for what I was using I don't know maybe it was just a few pounds a year. They were benefiting from me, it is still money for the charity, but I'd rather send them a cheque for £25 a year on top of what my mum does. I'd rather do that, instead of having the credit card. I'd rather give one off payment, and in a different kind of thing. I want to help you here is my payment that is my attitude with everything, well you know and don't drive me mad and I will give more but don't ask.... So no I didn't feel sad, because I've still got, you know I've still got the connection.”

[Nvivo-LNDChar1 Parag.137]

Looking at a different case, Grant still felt positive about the contribution the affinity group got through the scheme and he felt a bit guilty that the affinity group was not benefiting anymore. On another hand, Grant felt unappreciated due to the lack of feedback from the affinity group, which eventually led to him having negative feelings towards the group:

Grant: “ummm, I suppose I just sort of thought well it doesn't really look like it means that much to them you know my little contribution is not that important. Maybe I was just justifying it to myself in, maybe I felt a little bit guilty about that

Interviewer: “Why would you feel guilty?”

Grant: “Well you are stopping using because you want to get financial gain yourself from using a different card, and I guess I sort of felt a bit guilty”

[Nvivo-GLAChar2 Parag.116-120]

Two other supporters (Nigel and Colin) also felt unappreciated by their affinity groups. Consequently the above three participants ended all the support they were giving to the group, including the contribution through the affinity cards.

Phase six: Aftermath

As stated in the beginning of this sub-section the dissolution of the C-SP relationship did not have any impact on the majority of the C-AG relationships. In the cases where the C-AG relationship had changed, this came about from other reasons that the supporters had. This is discussed in the individual case studies where appropriate.

The next section presents Sherry's and Colin's case to demonstrate how the nature of the triadic relationship for the supporters, in particular their C-ACC-AG relationship, relates to the dissolution of the C-SP relationship. The remaining case summaries for the supporters are included in Appendix 9.

7.5.1 Case Studies for Sherry and Colin

The first case presented demonstrates how Sherry was able to extend the commitment and support she had for her affinity group by taking out their affinity credit card. Thus *group-functional benefit* was Sherry's primary reason for acquiring the card. At a later stage when Sherry decided to end her affinity card she was in a dilemma because the contribution the group was getting through the affinity card would stop. Consequently this led to her having both negative and positive thoughts with regards to her contribution through the affinity credit card.

Sherry: Supporter (F) 60, Charity (Personal), kept the card for two years and had been a member of affinity group for six years

Brief Profile

Sherry was, married with two children. She worked as a co-ordinator and was due to retire shortly. In her spare time she participated in charitable activities. With regard to finance,

Sherry commented that she has a problem with controlling her credit card spending.

Moreover, she did not pay much attention to the APR or the interest she incurred.

The Triadic Relationship (C-AG: Very Strong, C-ACC-AG: Very Strong>Weak, C-SP: Indifferent)

Sherry became more aware and involved with the affinity group, when a number of close friends of the family got terminal illness and / or since then, died. She has been supporting the affinity group for about six years and was quite involved with the group's activities. She took part in charity events whenever she could. She also makes an effort to buy products endorsed by the charity and supported the charity in other ways.

Sherry came across the affinity card whilst looking for a second card. She felt that the affinity card would be a good choice because it gave donation to the group. At the beginning she saw the card as an extension of her support (initially, the card was a strong link). But after some time having accumulated debt on the card, she had to stop using it. At that point, on reflecting what the affinity card was there for she felt that she was actually giving more in other ways. Besides, since she had stopped using the card she felt the group was not benefiting from it anymore. Furthermore she realised that she was losing out as well since she had to pay the interest on her debt (later on, the card was a weak link)

"Well I was really looking at the affinity group's web site at different things. I was actually looking for Christmas cards in the hope they do charity Christmas cards and then I just thought well I was going away on business. So I decided I would just take out a second card and I had it for two years"

"I suppose I think it was a bit like advertising, (for the affinity group)."

[Nvivo-GLAChar4 Parag.25]

Sherry was content with the service provider during the time she was with them. She had minimal interaction with them because she only communicated with them to pay her bills. Furthermore she does all her banking online. She indicated that generally she uses her credit card frequently, until the point she reaches her limit and then she stops using it.

Relationship through ACC: Functional and Support

Group benefits – Primarily to support the affinity group

Individual benefit - She wanted a second credit card

Primary trigger: Service provider triggered – more competitive credit card

Sherry had stopped using the card because she had accumulated debt on it. When her husband found out about her debt, he began to question her commitment to the service provider and encouraged her to swap over the debt to another credit card that gave her 0% interest free period. At that point, she started to think about the benefits of her keeping the card, to both the affinity group and herself. Finally she decided to cancel the card because neither her nor the charity were benefiting from it anymore. Following a couple of leads given to her by her husband, she found a service provider that gave her a 0% interest offer deal for a given period.

Role of Mediating Variables in the Process of Dissolution

Although Sherry had stopped using or benefiting from the card in any way, she still kept it for some time. It appears that the strong attachment she had with the group was a personal barrier for her from cancelling her affinity card and switching to a more advantageous card sooner. It was a barrier up to the point her husband prompted her to change it. Regardless of the fact that she had stopped using the card, the slight guilt she felt about the donation through the card stopping was also a minor barrier.

Once she had decided to cancel the card and found a new service provider, the administrative side of cancelling her card and transferring the balance to her new service provider took about a month and was a fairly simple procedure. After making arrangements with her new service provider she just cut up her affinity card and informed the affinity card provider that she wished to discontinue her account. The communication between Sherry and the service provider was minimal. It involved Sherry calling the service provider to inform them of her intention and was followed by a letter of cancellation from her to comply with the service provider's requirement.

After she had cancelled the card she does not recall getting a confirmation letter or any after-sales correspondence from the service provider. Thus there was no effort to recover the relationship by either party.

Consideration given to affinity group: Yes (both Positive and negative feelings)

Positive: Sherry's positive thoughts with regards to the group stems from her belief that

the affinity card scheme was a good idea which, enabled the affinity group in generating more contribution for the cause. Moreover since Sherry was eager to support the group in any way she could, she was happy to participate in the affinity card scheme.

Negative: Sherry was enthusiastic to support the affinity card scheme, but when she started losing out financially as a result of her debt, she lowered the value the card had in her particular case and used this as a justification for cancelling the card. She commented that cancelling the card and stopping the donation through the card was justifiable since she gave more to the group in other ways. In her opinion, in comparison to her overall support to the group, the affinity card was just a minimal gesture. Thus, she did not feel disloyal to the group by terminating the card (“...after all it is just a credit card...”).

“I didn't really feel any different, because I wasn't really ...ummm the money I was paying was so small and because obviously I wasn't using it anymore anyway, I can do it in the other ways it's not as if I was not supporting. It wasn't as if it was my only thing that I was doing you know, I don't feel anything you know I would go out and get my Christmas card from 'X' (affinity group) so it was not a big thing. It was not like saying right that's it, so I didn't really feel anything.....to be quite honest with a lot of them I think the support you are giving is really minimal it is a gesture but perhaps unless I am using it a lot more. If I am using it and I paid it off and then I used it again obviously there would be more money going but the way I was using it. They would probably be getting more money anyway in other ways.
“Obviously... I suppose there is probably more of the guilt feeling with anybody anything with the kind of charity. You know when you donate and then when you stop doing it.”

[Nvivo-GLAChar4 Parag.149-153 & 243]

In Sherry's case there appeared to be tension between the positive and the negative feelings she experienced. Her dilemma was also reinforced by her attitude with regards to reactivating the affinity card in the future. She indicated that if her credit card usage changed, she may consider reactivating the affinity card.

Summary

Sherry was a strong supporter of the affinity group. In the first instance she took out the affinity card with the intention of extending her support and at the beginning the affinity card provided a strong connection to the group. Although Sherry's C-AG relationship had not changed during the period she held the affinity card and after the dissolution of the C-SP relationship (in the aftermath), her views as to how much she can support the group through the card had changed. She justified her decision to end her affinity card by

pointing out that she still supported the group in other ways and by diminishing the significance of her donation to the group through the card. Nonetheless, she still felt a little guilty for cancelling the card. Here, through the dilemma Sherry experienced, tension between positive and negative feelings, was exhibited in this case.

The second case study shows how Colin took out his affinity credit card to support the affinity group financially. Colin used to be actively involved with the affinity group, for example, he frequently volunteered for the group. In Colin's case the C-SP relationship dissolution was actually prompted by the affinity group changing the affinity card scheme, without consulting the customers directly. Colin's case demonstrates how the dissolution started at a point when he felt unappreciated and let down by the affinity group. This eventually led him to cancel his affinity credit card.

Colin: Supporter (M) 33 Charity (Personal), held the card for four years, been a member of affinity group for four years

Brief Profile

Colin lived with his partner and worked as a nurse who provided special care. At that time, financially, he was not as well off as he used to be because he was in-between work. With regard to finance, generally customer service was very important to him. His hobby includes travelling and he enjoys taking mini-luxury breaks with his partner.

The Triadic Relationship (C-AG: Very Strong>Weak, C-ACC-AG: Strong, C-SP: Very Strong)

The cause linked to the affinity card was closely associated with an organisation that provided special care. Since Colin was a special care provider, he knew about the affinity group for a long time. He used to volunteer for the group whilst he was a student and after he qualified. Therefore, Colin was a very strong supporter of the cause.

Colin came across the affinity card when the service provider was promoting it. He found the scheme appealing because the contribution through the card was going to be split

between various areas that supported the group, such as research, community work, training etc. Colin was able to make a considerable amount of contribution through the affinity card because, firstly, he put all his work expenses on the card, and secondly, he put all the refurbishing cost for his house on the card. Colin estimated that he may have contributed over £2000 through the affinity card during the period he held it.

“I suppose, knowing that, if you like the pound you are spending is going to do some benefit, rather than making an annual subscription donation, knowing that and then my spending was at a completely different level, a lot higher level due to the circumstances then. But knowing that the return would be of benefit to someone else, I suppose, it was something for every pound you put in the donation would be there and you know that they would save a life..... so and I used to get statements saying how much had gone which was good.”
[Nvivo-NOTChar1 Parag.43]

Interviewer: “So it was your preferred card as well?”

Colin: “Yes definitely it's the one I used most I mean in a year I would probably be Going through 15 to 20 thousand pounds, which was cleared but I would be Spending 15 to 20 thousand pounds.”

[Nvivo-NOTChar1 Parag.53-55]

Following the change in the affinity card scheme, Colin was impressed by how the service provider handled his query. In his opinion the service provider was more professional, caring and concerned for its customers, than the affinity group was. Overall Colin felt that he had a good relationship with the service provider and he used to use the card frequently.

Relationship through the affinity credit card:

Group Benefits – To support the AG

Primary trigger: Dissatisfied with Affinity Group

Colin was unhappy with the affinity group for two reasons. First, because they did not inform him of the changes in the affinity card scheme and second, because they did not have adequate information when he contacted them for further information. It was the service provider that informed him that the particular scheme associated with the card was changing. Since the scheme was going to focus on supporting just research related work for the group, he decided to cancel his affinity card as he felt that, that was not what he signed up for. He felt more strongly about the importance of the community aspect of the group and contribution going to community related work as opposed to research.

Role of Mediating Variables in the Process of Dissolution

When Colin received a letter from the service provider informing him that the scheme he had signed up for was changing, he contacted both the service provider and the affinity group to get more detailed information regarding the changes. He was satisfied with the service provider's effort in trying to assist him. However, he was dissatisfied by the lack of knowledge from the affinity group. Although he had discontinued his affinity card, the service provider was able to retain him as a customer after offering him one of their regular credit cards, which he subsequently switched to. Colin's case was complex, whilst the C-SP relationship for the affinity card ended, a new C-SP relationship for a different credit card was formed with the same service provider. In this case both Colin and the service provider made an effort to maintain the C-SP relationship.

The strong attachment Colin had with the group led him to question the change in the affinity card scheme. This was initially a personal barrier for him in making the final decision, whether to continue or discontinue with the affinity scheme. Once Colin decided to cancel the affinity card, the debt he had on the card became a functional barrier for him, when he was considering his options. One alternative he had was to switch to a different service provider who would have given him a 0% interest for a short period of time but he would incur a switching cost. His second choice was to stay with the same service provider but switch to a different account with a lower interest rate.

“umm, they sort of said when I rang them up about the other alternative, and possibly transferring over the ‘X- potential new service provider’, and taking the balance with me. That's when they started to negotiate the interest rates again. As a benefit, I suppose, and they sort of threw in the fact that if I did change that I would be liable for anything between 2.5 to 3.5 per cent charge from the other side anyway to do the balance transfer. They said, alright it is nought per cent but you may be charged this and on the lump sum that it was then I thought, do I really did want to do that for a short amount of time that I had nought per cent anyway. [Nvivo-NOTCharl Parag.169]

Consideration given to affinity group: Yes (both Positive and negative feelings)

Positive: Colin had always felt that the card was a good idea and worked well in adding to the contribution the group was getting, especially if the spending on the card was high. He was also satisfied and encouraged by the feedback and thank you notes he used to get from the group with respect to how much they received.

Negative: During the time the card scheme was changing Colin felt let down by the affinity group. He thought that the group was not as informative as they should be. Furthermore, to add to his disappointment, the group's representative he spoke to had little or no knowledge about the scheme.

“..... In many respects, I felt that, you know even for instance say if I was linked to their network through Y (service provider) I would have received something from them. But I looked and I checked for two weeks and there was no notification from them as to why and I just felt a little bit let down I suppose. And I thought well after such a period of time and after such huge donation, I mean it was nice to know that the money was going and it was nice to know that you would have the newsletters saying that they've had the deposit of that money. But I suppose in theory it was a bit of a let down, because as I said from minimal explanation I didn't understand why. I could have explored it more ...

umm...from what I could understand from what the lady was trying to say it was going to go more into the field of research, whereas when I signed for the it was supporting quite a few areas such as, as I said, community support, training, education and so on, so it has gone from being quite a selection to being unselective.....

and I felt that it would be more important to try and do something more at community level. But I did disagree with the fact that it is changed drastically I suppose, because they were covering sort of five different areas. Yes research is quite important still that is why they want to do it but also people on the floor, you know different areas and different communities who need workers, and in other area, and I thought well unless they were being given something. As I said it was the lack of information, why?”

[Nvivo-NOTChar1 Parag.115, 95 &99]

Colin still believed that the group stood for an important cause and felt very positive about the contribution and helps it got. However, he was unhappy with the lack of information from the group regarding the administration of the affinity card and the fact that the contribution was going to be diverted to just one area.

Summary

In the first instance he took out the affinity card with the intention of extending his support for the affinity group and the card provided a strong link to the group. This was the reason Colin was identified as a supporter. When Colin held the card he appreciated the feedback and the thank you notes he got in relation to the donation he gave through the card. The dissolution for Colin was triggered by the change of the scheme. This also partly led to the C-AG relationship weakening. However his strong belief in the cause which the group stood for did not change, even after his affinity card was cancelled (aftermath). In considering the group, Colin felt negative because he felt unappreciated, and the positive feeling he had arose from the belief he had in what the group stood for. Consequently his positive views made him feel guilty for having discontinued the affinity card scheme.

Case Studies Summary

The two cases discussed above demonstrated Sherry's and Colin's enthusiasm as supporters by the level of involvement and interest they showed towards their affinity groups and through the benefits they sought when they initially took out their affinity cards. Moreover, the dilemma they experienced during the C-SP relationship dissolution also reflected their support as well as concern for the group. Their reasons for ending their affinity card differed. For Sherry the C-SP relationship dissolution was triggered by personal circumstances changing, while in Colin's case it was the affinity group altering the affinity card scheme that prompted the dissolution. Consequently both had a negative and a positive thought associated with their participation in the affinity credit card scheme. The reasons behind the positive and negative feelings varied. However, this tension between positive and negative feelings was one of the features that differentiated the supporters from explores and the communicators. The other dimension was the primary benefit that all the supporters sought (group-functional benefit) when they took out their affinity credit cards.

7.6 Chapter Summary

This chapter discussed C-SP relationship dissolution through the aid of the three types of customers that emerged in the analyses: explorer, communicator and supporter. The typologies were helpful in making sense of complexity by illustrating how similarities in dimensions could be related and used to explain the process of dissolution (Miles and Huberman, 1994). Similarities were noted in the state of the triadic relationship at the beginning and later in the consideration that the participants gave to the affinity group during the process of the C-SP dissolution. Details of the variables used to differentiate these three typology groups were demonstrated in Table 17 (classification of the typology groups) at the beginning of this chapter.

The explorers were primarily driven by opportunities in the marketplace. As a result, the dissolution of C-SP relationship for the explorers revolved around their search for personal benefit, with minimum or no consideration to the affinity group.

For the communicators, conveying their profession as part of their identity was an influencing factor when they first took out the affinity card. However, when it came to ending their cards they gave their affinity groups either negative or no consideration. The reasons varied and reflect the complexity of a relationship that could arise from the different level and/ or the evolving nature of participants' involvement with the group.

For the supporter group-functional benefit was their primary reason for acquiring the affinity card. Thus, when it came to the dissolution of the card the majority had conflicting thoughts regarding the contribution to the group stopping. Hence, both negative and positive feelings were present when the participants were considering the group in the process of dissolution.

An overview of which affinity group was more prominent in each typology group is illustrated by the graph that follows (Figure 15).

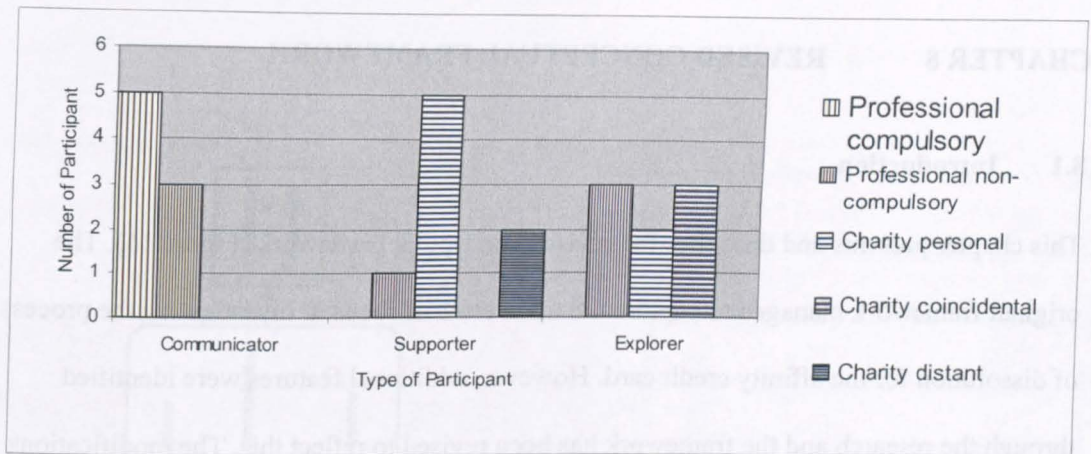


Figure 15: Distribution of the participants in each typology group

Examining similarities and / or differences between the charity and the professional groups, first, it was evident that all the communicators were from the professional group. Moreover, all participants from the professional-compulsory affinity group happen to be communicators. Secondly, there was a tendency for participants from the charity-personal group to be supporters (five out of seven). Finally, the explorers encompassed a more diverse group which included all participants from the charity-coincidental group (two), three from the professional-non compulsory group and three from the charity-personal group.

The analysis from the data gathered has been synthesised in this chapter. Informed by the findings it was possible to further develop and enhance the original conceptual framework (Chapter 3). The revised conceptual framework for investigating the dissolution of the C-SP relationship in the case of affinity marketing is introduced in the next chapter.

CHAPTER 8 REVISED CONCEPTUAL FRAMEWORK

8.1 Introduction

This chapter presents and describes the revised conceptual framework (Figure 16). The original framework managed to capture the main areas of focus in investigating the process of dissolution for the affinity credit card. However, additional features were identified through the research and the framework has been revised to reflect this. The modifications and additions made to each phase of the dissolution are discussed in detail in Sections 8.2 to 8.7. This is followed by a detailed explanation of the dissolution, following the phases set out by the proposed framework.

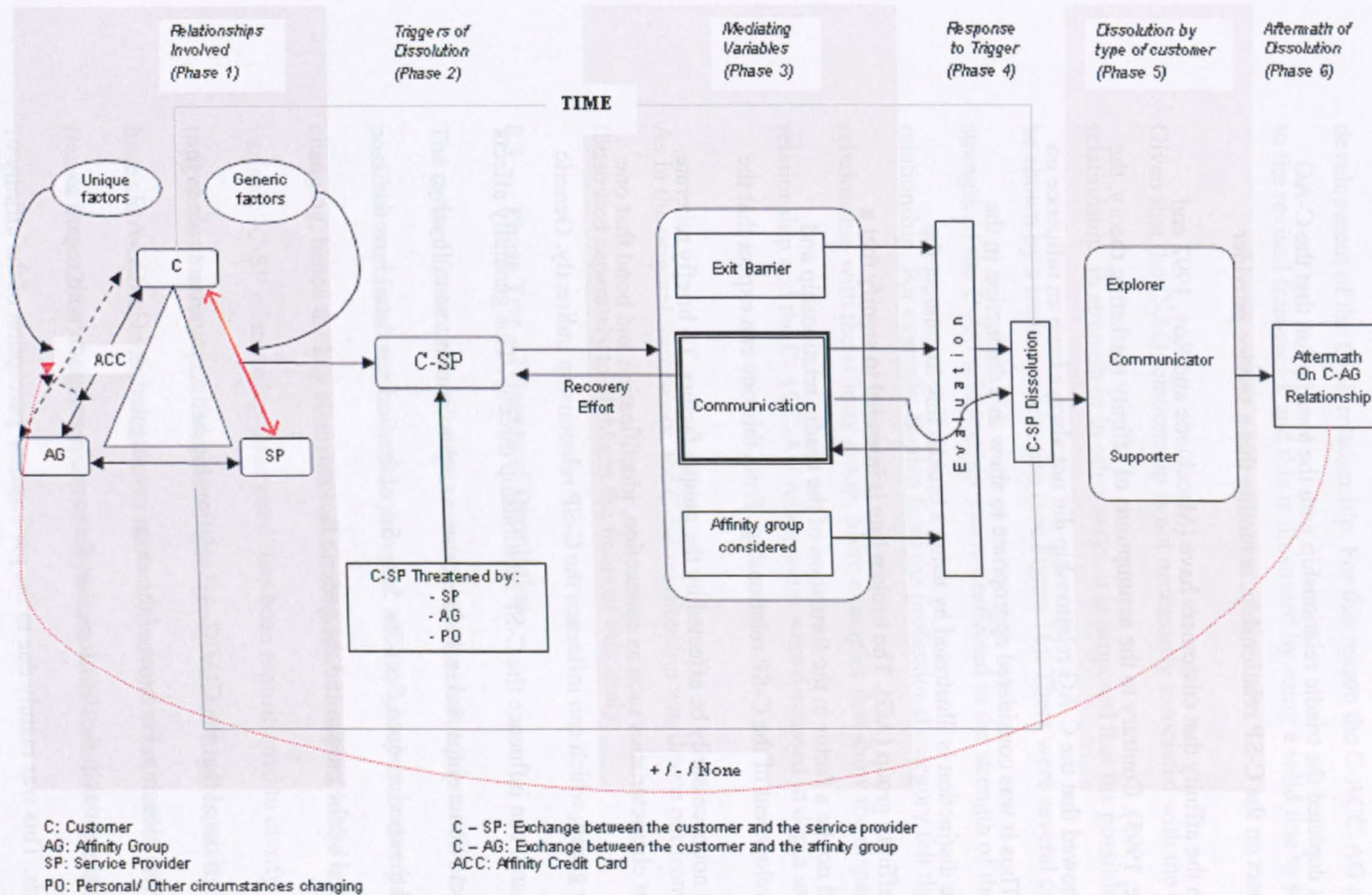


Figure 16: Revised Conceptual Framework for Customer-Service Provider (C-SP) Relationship Dissolution

8.2 Phase One - Triadic Relationship

The original framework depicted the triadic relationship with the assumption that the C-AG relationship had an impact on the C-SP relationship, assuming that a service provider leverages the service on the affinity that customers have (Macchiette and Roy, 1992 and Worthington and Horne, 1995). Contrary to the assumptions of affinity marketing theory, the analysis in Chapter 5 showed that the C-AG relationship did not always have an influence on the C-SP relationship. Thus it was considered appropriate to show this distinction in the revised framework. *The distinction is illustrated by using a broken line to connect the customer (C) with the affinity group (AG).* The broken line is intended to signify that a C-AG relationship need not be a factor in the formation of the triadic relationship and subsequently in the development of the C-SP relationship. From this one can expect that the C-SP relationship need not necessarily be affected by the unique factors. To briefly reiterate, unique factors represent characteristics such as connection, identification and bond that one may feel for an affinity group, which can influence the C-SP relationship indirectly. Generic features, on the other hand, can influence the C-SP relationship directly. This generally affects the development of most relationships and includes features such as commitment, loyalty, mutual satisfaction and the core product. Sections 5.4 – 5.6 of the findings detail how the participants were affected by the unique and the generic factors.

In addition, the analysis showed that the C-ACC-AG relationship had an important role in the dissolution of the C-SP relationship. For most of the cases investigated, the C-ACC-AG relationship was more influential in the decisions that the participants made with regard to their affinity credit cards. This was mainly due to the participants' perception of the affinity

card in terms of its functional, symbolic or supporting role being a strong determinant in the development of the C-SP relationship. For this reason the C-ACC-AG relationship was added to the revised framework and this is illustrated by using a solid line to show the connection.

Given that the C-AG relationship is not necessarily associated with the C-ACC-AG relationship, in strength or in other ways, it is proposed that the possible relation between them be shown by a broken connection (see Figure 16). There were several cases in which the strength of the C-AG relationship was not reflected in the strength of the C-ACC-AG relationship. For example, Sophia from the professional category felt that she did not have a relationship with the affinity group. More examples that show the disparity between the C-AG relationship and the C-ACC-AG relationship were discussed in depth in Chapter 5.

As in the original framework, the C-SP relationship was drawn out from the triad and illustrated separately to highlight the focus of this study.

8.3 Phase Two - Triggers of Dissolution

The revised framework still depicts that the C-SP relationship could be threatened by three possible sources of trigger: service provider, affinity group and other/personal circumstances changing, hence the key elements remain the same. However, in the revised framework, the variable 'C-SP relationship threatened' has been repositioned to clarify the direct impact that triggers have on it. Apart from the affinity group related triggers, all the other triggers noted have also been reported as common reasons in several other studies (e.g., Antón et al., 2007; Bansal et al., 2005; Colgate et al., 1996; Hocutt, 1998 Roos, 1999; and Stewart, 1998a and 1998b).

8.4 Phase Three - Mediating Variables

The analysis ascertained that out of the original five key variables just three (exit barrier, communication and the consideration given to the affinity group) would be sufficient in examining the role of mediating variables.

In the original framework, although the possible overlap between the variable risk and exit barrier was questioned, both were still considered as key variables. Consequently, analysis of the cases showed that it was difficult to separate risk from exit barrier. Therefore, in the findings section (Chapters 5 to 7) the discussions relating to risk were incorporated with the discussions on exit barriers.

Recovery effort was another key mediating variable that was represented in the original framework. However, there was considerable similarity between the data for ‘recovery effort’ and the data for ‘communication’. Therefore, it was decided that ‘communication’ should also encompass ‘recovery effort’. Moreover, communication was identified as an important influencing factor in several studies (e.g. Alajoutsijarvi et al., 2000; Baxter, 1985; Hirschman, 1970; and Stewart, 1998a), hence, it was anticipated that it would have a crucial part in determining how the dissolution proceeds. The central role of communication was supported by the findings presented in Chapter 6. This is reflected in the revised framework by the number of interactions between the variable communication and Phases two and four of the process, and by drawing the box in the diagram in bold to highlight its key mediating role. Finally, as expected the variable ‘affinity group considered’ was important in bringing out data concerning the relationship between the customer and the affinity group, and ultimately its impact on the dissolution.

8.5 Phase Four - Response to Trigger

In the original framework, the response to trigger was intended to show that customers choose either to continue or to end their C-SP relationship. Given that customers often consider their options before they finally decide to end their relationship, the variable ‘evaluation’ was added to Phase four of the revised framework. This addition is proposed to capture or show some of the interactions that may precede the dissolution of the C-SP relationship. For example, following a trigger relating to service delivery, Matthew, one of the supporters, had communicated with the service provider a number of times in an attempt to resolve the problem he encountered. Looking at a different example, Stuart, a supporter, had liaised with both the affinity group and the service provider regarding the problem he had and the benefits associated with the affinity card. Therefore it should be anticipated that customers would evaluate the benefit or loss either to themselves or to the affinity group when deciding whether or not to end the affinity card. Participants’ interactions in the process of dissolution were discussed in more depth in Chapter 6.

The study did not find any association between the variable ‘time’ and the process of dissolution. Nonetheless, when the original framework was developed, ‘time’ represented the length of time, from the moment the C-SP relationship was threatened to the moment the dissolution becomes absolute. Hence it was illustrated in the framework by a capsule that incorporates the phases: triggers of dissolution; mediating variables; and response to trigger. However, the analysis had shown that some of the participants (for example, Jeremy and Caroline) had thought about the dissolution of their C-SP relationship right at the start of the relationship. This implies that such customers were predisposed to ending their relationship.

Thus, in the revised framework the capsule that is used to illustrate ‘time’ is extended to include Phase one of the process (the triadic relationship) as well.

8.6 Phase Five – Customer Typologies and Dissolution

In the original framework identification of dissolution was proposed to show possible types of dissolution process represented as ‘type $A...n$ ’. It has been noted in the literature reviewed that a dissolution process should be seen as an extended one with many facets (Tähtinen and Halinen, 2000). What transpired from the data was that the ‘types of customers’ that emerged from the analysis were more appropriate for identifying types of dissolution. The nature of the C-ACC-AG relationship was an indicator of what type of customer a participant was. Consequently this related to the consideration that the participant gave to his or her affinity group during the process of dissolution. From these three types of customers emerged. The first two, ‘explorer’ and ‘communicator’, were similar to Gabriel and Lang (1995) characterisation of consumers in these terms and thus were identified as such, and the third type ‘supporter’ was generated from this study.

In Chapter 2, a number of studies that proposed a model for the process of relationship ending were highlighted (e.g., Hocutt, 1998; Stewart, 1998a and 1998b; Ross and Strandvik, 1996; and Michakski, 2004). However, these models differed a great deal in how they analysed and depicted the ending process. The finding in this study depicts dissolution by type of customer and adds yet another variation to the dissolution literature.

Members of each typology group were identified through the similarities they exhibited in relation to the benefits the participants sought when they first took out their affinity cards and

the strength of the participants' C-ACC-AG relationship. Further, the types were also similar in the consideration the participants showed towards the affinity group during the process of dissolution. The dissolution relating to each typology group has been discussed in detail in Chapter 7.

8.7 Phase Six - Aftermath

Aftermath in this thesis relates to the intentions that customers might have or actions they might take on their C-AG relationships as a result of the dissolution of their C-SP relationship. The only modification made to this final phase of the framework was to indicate the nature of the aftermath on the C-AG relationship. The revised framework indicates that customers may form a negative (-) opinion, a positive (+) opinion or may not be affected at all (none) by the dissolution of the C-SP relationship. For the majority of the cases investigated here the participants' perception of the C-AG relationship was not affected by the dissolution, rather their opinions were formed by how the relationship had developed over a period of time. However, in all cases, this final stage of the dissolution could make affinity partners realise the full impact of their partnership. Section 9.2.2 makes some suggestions as to how this knowledge could be utilised.

8.8 Summary: The Revised Conceptual Framework

Chapter 3 introduced the original conceptual framework and described and justified the variables used in developing it. As far as the central elements of the original framework are concerned, most were retained in the revised framework but modifications were made to the relations between some of the variables. In addition, new variables were introduced: 'evaluation' in Phase four and 'explorer', 'communicator' and 'supporter' in Phase five.

Contrary to the assumptions of affinity marketing theory, the C-AG relationship need not necessarily have a key role in the triadic relationship. Hence, it does not always influence the C-ACC-AG or the C-SP relationships. The dissolution begins when the C-SP relationship is threatened. Triggers related to the service provider, the affinity group or other circumstances changing initiate this. This changes the customer's perception of any one or more of the relationships in the triad. Change of the customer's perception of the triadic relationship will result in the C-SP relationship and/or the C-AG relationship weakening. This will make the customer think about ending his/her affinity card, or it will make the customer make the final decision to end his/her affinity card.

A customer's response to the trigger(s) depends on the nature of the trigger. Some customers evaluate their decision to cancel their card (for example, if they wish to negotiate a lower APR or if they want to resolve service related problem), where as others decide to just cancel it. The customer's decision will determine the role of each mediating variable in the dissolution. In the framework the connections and interactions between each mediating variable in Phase three and the evaluation in Phase four show that a customer could evaluate his/her decision to end the C-SP relationship. In contrast, the direct connection between the mediating variable communication and the variable 'C-SP dissolution' indicates the decision path of a customer who does not evaluate his/her decision once he/she has decided to end the C-SP relationship. This customer would simply communicate his/her intention to the service provider. Those who do not encounter any exit barriers or give the affinity group any considerations also follow this path. Hence, each customer will at least need to go through the mediating variable 'communication', even if only to finalise the dissolution of his or her C-SP relationship.

Once a customer is in the evaluation phase he or she could make an effort to resolve the situation that was threatening the C-SP relationship. The arrows going back from the variable ‘evaluation’ to the variable ‘communication’ and then back to the ‘C-SP relationship’ box illustrate this. This is intended to demonstrate the recovery effort attempted by the customer, the service provider or both. Alternatively the customer could decide to just end the C-SP relationship. The arrow pointing from the variable ‘evaluation’ to the box that indicates the final ‘C-SP dissolution’ shows this.

Next, Phase one through to Phase four of the process, led to the identification of three types of customers, from which three different types of dissolution could be described (Phase five). The three typologies are explorer, communicator and supporter. Finally, the aftermath is intended to show the consequences of the dissolution for the relationship between the customer and the affinity group (Phase six). This framework cannot capture all the complexity that the dissolution may exhibit but it is believed that it captures the main elements that may influence the dynamics between the different Phases.

In summary, the conceptual framework proposed in this chapter helps to identify and explain general phases as well as variation associated with C-SP relationship dissolution in the case of the affinity credit card. This research contributes to the extant literature by proposing a broader perspective on the foundation of the triadic relationship and specifying this perspective in a conceptual framework. The next chapter discusses this contribution and its implications in more detail.

CHAPTER 9 CONCLUSION: CONTRIBUTIONS, IMPLICATIONS, LIMITATIONS & FUTURE RESEARCH

This chapter will begin with an overview of the objectives and the key findings of the thesis. It will then proceed to discuss the contribution of the study to theory and its implications for management. It will also address the limitations of the study and provide suggestions for future research.

9.1 Summary of Key Findings

This research set out to examine the dissolution of C-SP relationship in the case of affinity marketing and was led by three objectives: (i) to understand the process of C-SP relationship dissolution in the context of affinity marketing (addressed in Chapters 5, 6 and 7); (ii) to understand the mediating role of the affinity groups in the dissolution of the C-SP relationship (addressed in Chapter 6); and (iii) to understand how the dissolution of the C-SP relationship affected the customer-affinity group (C-AG) relationship (addressed in Chapter 7).

Before the data were collected a conceptual framework was developed and subsequently used to guide the investigation. The framework was then revised in accordance with the data analysis and findings. The revised framework (Figure 16, Chapter 8), has six phases and starts off by demonstrating the triadic relationship (Phase one) and the possible sources of trigger that could threaten the C-SP relationship (Phase two). Next the framework shows how the C-SP relationship goes through one or more mediating variables (Phase three), and possibly through a process of evaluation, before it finally ends (Phase four). The framework then outlines different types of customer with each typology representing different processes of

dissolution (Phase five). Finally, the framework considers the aftermath of the dissolution (Phase six).

Previous studies of affinity marketing (e.g. Macchiette and Roy, 1992 and Worthington, 2001) suggest that the C-AG relationship is the foundation of affinity marketing schemes. Contrary to the assumptions of affinity marketing theory, in the first stage of the analysis (Chapter 5), the data showed that the relationship customers had with their affinity groups need not be the main influence in the development or have an effect on the ending of the C-SP relationship. In most of the cases investigated, customers' perception of the affinity card in terms of its functional, symbolic or supporting role had more impact on the C-SP relationship. Thus the strength of the C-ACC-AG relationship was an important influence in both the development and the dissolution of the C-SP relationship. The C-ACC-AG relationship was formed as a result of the tangible benefits (e.g. interest free period, donation to the affinity group, no annual fee) and the non-tangible benefits (e.g. symbol of status, promotion of affinity group, identity) associated with an affinity card. Further the data revealed that in some instances the nature and/or strength of the C-AG, the C-ACC-AG and the C-SP relationship evolves over time.

The second part of the analysis (Chapter 6) demonstrated that a trigger marks the beginning of the process of dissolution and often determines how the process proceeds. Service provider related triggers, mainly triggers associated with the core service, were predominant. Fewer participants experienced affinity groups and personal or other circumstances related triggers. This research supports empirical studies relating to the ending of C-SP relationships, including those that focused on retail banking which suggested that core service related issues were

generally the main triggers (Colgate et al., 1996; Michalski, 2004; and Stewart, 1998b). Offers from competitors were the most common reasons noted in this study. This suggests that relationships were more prone to ending in a competitive environment such as the credit card market where there are many alternatives available for the customers. The implication of this finding is that a customer's decision in the process of dissolution is more likely to be influenced by the generic individual-benefits associated with the affinity credit card rather than the unique features of the card such as its connection to an affinity group, or the group-benefit associated with it.

Another key finding relating to the triggers was the effect of network dynamics. It has been suggested that in interconnected relationships all the relationships involved could be vulnerable to being transformed as a result of change(s) that may occur even in a single dyad (Halinen et al., 1999; Harrison, 2001 and Tornroos, 2004). Similarly, the research here showed that network dynamics could occur in an affinity marketing setting where a change in one of the relationships could trigger a change in other connected relationships. For example, Greg and Nigel ended their C-SP relationship because of the dispute they had with their affinity groups, while Alan and John ended their C-SP relationship because they had left their affinity groups.

The findings in Chapter 6 also revealed the pivotal role of the mediating variables in the process of dissolution. These variables represent the interactions that may take place between the partners in the triadic relationship, when the C-SP is threatened. Out of the five mediating variables that were initially proposed to guide the analysis (Chapter 3), only three (exit barrier, communication and affinity group considered) were found to be sufficient in examining the

data. Those participants who encountered exit barrier(s) were able to overcome the barrier(s) quite easily. Overall the impact of exit barrier was minimal. Hence the empirical evidence from this study supports the views of Dwyer et al. (1987) that exit barriers were less frequent in service industry settings. Studies in different domains have depicted communication as a central element in their investigation of dissolution (Baxter, 1985; Alajoutsijarvi et. al., 2000; Hirschman, 1970 and Stewart, 1998a). Similarly, the research here suggests that the inclusion of communication is vital in understanding the process of dissolution.

Inclusion of the *affinity group considered* extends understanding of customers' perception of the affinity marketing scheme, by illustrating how members or supporters related to their groups, when it came to ending their affinity cards. The range of considerations the participants showed when ending their C-SP relationship included positive, negative, positive and negative (at the same time), and none. Further, the finding showed the direct impact (if any) that the affinity group had on the process of dissolution. For example, in the case of Greg (a communicator) the negative consideration he gave to the group comes from his experiences as a member over the years. This was also supported by the strength of his C-AG relationship that evolved from being very strong to somewhat strong and his C-ACC-AG relationship which changed from very strong to weak.

Synthesis of all the findings (Chapter 7) led to the participant being identified as an *explorer*, a *communicator* or a *supporter*. These groups were based on relations between: (i) the strength of the C-ACC-AG relationship, (ii) the benefit(s) sought from the affinity credit card, and (iii) the consideration that the participants gave to the affinity group during the process of

dissolution. Further, these three types of customers were used to describe three different processes of C-SP relationship dissolution, directly related to each type of customer.

9.2 Contributions of the Research

In this section, theoretical contributions are presented, first for the area of relationship dissolution with focus on the conceptual framework (Section 9.2.1.1) and second, for the general literature on affinity marketing (Sections 9.2.1.2-3). Next, the contributions of this research to management are discussed (Section 9.2.2). Finally, the benefits of understanding the triadic relationship and recognising the importance of competition and the importance of continuous communication are presented (Sections 9.2.2.1-3).

9.2.1 Theoretical Contributions

9.2.1.1 Conceptual Framework: The Process of Dissolution

The first contribution of this study is to the C-SP relationship dissolution literature. Using conceptual arguments rooted in the extant literature on dissolution and affinity marketing and revised on the basis of empirical data from this research, a conceptual framework for the dissolution of the C-SP relationship for the case of affinity marketing is proposed.

There are studies relating to business-to-business, business-to-customers and interpersonal relationships that discuss how the process of dissolution progresses through different phases (Duck, 1982; Halinen and Tähtinen, 2002 and Hocutt, 1998). However, Halinen and Tähtinen (2002) have noted that the field still lacks a more comprehensive process model that would help explain why and how relationships come to an end. These authors have also pointed out that there is no comprehensive description or categorisation of the factors that influence

relationship ending. Furthermore, there is a lack of research on dissolution relating to different industries (Tahtinen, 2004) and no known study to date that examines the impact of an affinity group on the dissolution of the C-SP relationship in the context of affinity marketing. Thus, the framework presented here provides an additional perspective to the process of dissolution with a holistic approach tracing the process from the conception of the relationship to its dissolution. As the most successful affinity product in affinity marketing, the affinity credit card was the chosen product for this research. Nonetheless, the conceptual framework could possibly be adapted to guide the analysis of dissolution in relation to other affinity products.

9.2.1.2 Triadic Relationship: Customers' Perspective

The second contribution of this research is to the knowledge of the triadic relationship in affinity marketing. The literature on affinity marketing presumes that the scheme was leveraged upon the affinity relation the customers had with the affinity group (Mintel, 2000). However, through re-examination of these assumptions the research here revealed that the C-AG relationship need not necessarily be the foundation of the triadic relationship. The triad could be more complex than presumed in previous studies. For example, the data showed how a customer who was already subscribing to a different product with his/her service provider took up the affinity marketing scheme because it was being promoted by the provider whom he already trusted. This suggests that the current assumption of the triadic relationship in affinity marketing should be revised to reflect that a C-SP relationship could be a key element in its foundation.

The revised conceptual framework depicts this complex triadic relationship, by using two lines, one broken and one solid, to show the possible connection or relationship between the customer and the affinity group (Figure 16). The broken line signifies that the C-AG relationship need not be a key factor in the formation of the triadic relationship. The solid line shows the opposite, that is, that a C-ACC-AG relationship is always present in the triad. This additional information was important in investigating the process of dissolution because it indicates that the impact that the affinity group had could vary depending on the foundation of the C-AG relationship.

9.2.1.3 Classification of Affinity Groups

The study also contributes to the general literature on the classification of affinity groups. It suggests that, where applicable, existing classifications of these groups could be extended to include sub-categories of the group, based on the type of affinity relationship of an individual. The purpose of the sub-categories is to provide a more concise description of an individual's connection with an affinity group. Such sub-categorisation by the type of affinity relationship could also lead to the identification of important differentiation within an affinity group. For example, in the charity group the sub-categories personal, distant and coincidental could be an indicator of the strength of the individual's affinity. One could infer, for instance, that an individual with a personal reason for supporting a charity is likely to have a strong C-AG relationship and the opposite could be said for an individual whose attachment to the group is distant.

Macchiette and Roy (1992) suggested a classification of affinity groups which has been utilised in several past studies relating to affinity marketing. However, Roy and Berger (2005)

argued that there was still a need for empirical research to develop better classifications because there was a wide range of groups represented in this area. Moreover, there was no clearly established classification system that differentiates the groups, which makes it more challenging for a researcher to develop a theory and make viable comparisons.

Therefore, this study partly responds to Roy and Berger's (2005) call for more research on the classification of affinity groups. By using relationship type based on sub-categories, one could add a further dimension to the existing group related classifications of affinity groups. Taking the professional and the charity affinity groups investigated, when the affinity types for the participants were considered, the types (sub-categories) that emerged were: professional-compulsory, professional-non compulsory, charity-personal, charity-distant and charity-coincidental. Thus, this research was able to extend the professional category into two sub-categories and the charity category into three. Having additional knowledge of the type of relationship an individual has could be used to enhance the existing relationship. For example, if it is known that an individual's relationship with a charity group is coincidental or distant, by communicating the benefit gained from the customer's participation in the scheme and by promoting what the individual can do at a personal level, a coincidental or distant C-AG relationship could be strengthened and potentially be converted into a personal one. Subsequently a strong C-AG relationship could develop.

9.2.2 Managerial Implications

The implications from this study could help service providers in identifying potential problems and possibly avoiding the dissolution of C-SP relationships. However, this does not mean that the service provider is responsible for what goes wrong or is able to perform actions to avoid

dissolution. But the service provider can use the knowledge to try to manage the dissolution better and handle similar situations more efficiently. In addition, this study suggests some overall improvements in affinity card and affinity group management, which are discussed in the subsections that follow.

9.2.2.1 Understanding the C-ACC-AG Relationship

Worthington (2001) pointed out that a better understanding of how affinity group members or supporters perceive their group's unique qualities, social status and size may provide a way of assessing the strength of their 'affinity' and hence their receptivity to affinity marketing. Similarly, the analysis of the triadic relationship revealed that a more thorough knowledge of the relationships within the triad could in turn lead to a better understanding of the dissolution of the C-SP relationship. For example, knowledge of an affinity group's influence on a C-SP relationship could give an indication of how the customer might proceed with or perceive the process of dissolution.

9.2.2.1.1 Utilising Typology Groups

The typologies identified in Phase five of the process (namely, 'explorer', 'communicator' and 'supporter') gave insight into the possible nature(s) of the affinity marketing customers. With knowledge of the above types, affinity groups should strengthen their existing or newly formed relationship with customers. The affinity group is often able to communicate with the affinity card holders through the service provider. Therefore, where possible affinity groups should use this forum periodically to thank their members or supporters for their contribution, to remind them of the importance of their membership to the group and to update them on what has been done with the income from the affinity cards. In addition, management strategies of the service providers should be tailored to meet each group's needs, to reinforce

customers' commitment and to keep pace with customers' changing requirements. Such strategies may possibly discourage customers from considering other attractive alternatives or ending their C-SP relationship for other reasons. Subsequently this could lead to better customer retention. Consider the three typologies that emerged from this study:

- *Explorers* are more inclined to take advantage of, or be on the look-out for, services that give them a better personal or financial deal. The results here showed that four (out of eight) of the explorers were enticed by competitive products in ending their C-SP relationship. For this group of customers, service providers should focus on continually informing them about any new or additional services and products that relate to their affinity cards. By doing so, service providers can raise customers' awareness of the product and its competitiveness.
- For *communicators*, the desire to communicate one's professional identity was one of the main attractions of the affinity card. Moreover, the majority perceived having a symbolic card as an advantage, even after they had ended their affinity cards. Service providers should periodically promote the symbolic value of the card to this group of customers. It is also known that for communicators, there is the possibility of the symbolic value a product hold fading over time. For example, six (out of eight) of the communicators ended their affinity cards because they were attracted to core product related benefits. Furthermore, for some of the participants the symbolic value the card had once held faded over time. Customers should be reminded of this value and should also be offered competitive functional benefits so that they will not be drawn to other seemingly more attractive offers.
- For the *supporters*, the support they give to the affinity group through the card was the most important attribute. For four (out of eight) of the supporters, the dissolution trigger was related to issues concerning the affinity group and for the remaining four it was related

to service delivery and core product. These findings indicate that the quality of the relationships these customers had with both the affinity group and the service provider were important for the continuation of the C-SP relationship and consequently for the success of the affinity marketing scheme. Therefore, for supporters, service providers should focus on continually monitoring the quality of the service delivery and updating the customers about the contributions going to the affinity group. The latter would require the service provider to work closely with the affinity group in updating the customers.

The overall implication of the findings and the suggestions above is that what the customers valued most in the C-SP relationship should be identified and nurtured. Otherwise, customers could be open to other attractive offers which may subsequently increase the likelihood of dissolution. Furthermore, the findings revealed that there was convergence or notable similarity (but not perfect pattern) of key dimensions such as the strength and type of C-ACC-AG relationship, and the consideration given to the affinity groups in the process of dissolution. For this reason, if the strength of the C-ACC-AG is known it might be a good indicator of customers response to marketing efforts as well as to threats of dissolution of the C-SP relationship.

Understanding the importance attached to the different attributes of the affinity credit card could encourage a more optimal marketing relationship. In addition, affinity groups and service providers should not rely too much on affinity brands (i.e. the endorsement of the affinity group) alone for the scheme to be successful. Therefore, there is a need to reinforce the importance of the scheme to the customers continuously.

9.2.2.2 Addressing Competition

In Phase two of the process of dissolution, competition relating to the core product was identified as one of the key triggers. This was found to be the primary or the secondary trigger for the dissolution of the C-SP relationships for most of the participants. The importance of competition was evident in all three typologies (explorer, communicator and supporter) and across both the charity and the professional groups. In order to be successful and establish a long-term relationship with customers, affinity credit card service providers need to be constantly aware of competition and must rise to it. This is important, since the credit card market is an area that is vulnerable to market forces and increased competition. Credit cards are simple services not incurring much risk for the customer. Moreover, with a wide array of choices available, customers are becoming more discriminating. Hence, the quality of the core product, any additional benefits that may be attached to it and the service delivery are all likely to be very important, for the service provider to have a competitive edge. For example, a lower APR was one of the important benefits noted in some of the cases investigated. Therefore, service providers should seriously consider whether this is a viable option in their case.

9.2.2.3 The Need for Communication

The need for continuous positive communication was an issue that was repeatedly raised. This relates to communication during the periods when the C-SP relationship was stable as well as during the process of dissolution. The latter was represented as one of the mediating variables in Phase three of the process. The study has identified communication issues that could possibly have reversed the dissolution for some of the cases investigated.

For instance, many participants were uncertain about how the affinity group benefited from the affinity marketing scheme. These participants subsequently felt detached from the card and did not feel motivated to use it as much. Worse still, the findings showed that some of the participants were unaware that their group benefited from the scheme. In these contexts, increasing customers' awareness could have a positive impact on encouraging long-term relationships by stopping customers from losing interest in the scheme. In addition, it may discourage those considering ending their C-SP relationship from pursuing the dissolution. This is particularly important because the cost of acquiring new customers is known to be a lot more than that of retaining existing ones (Storbacka et al., 1994 and Worthington, 2001).

Furthermore, affinity partners' efforts in promoting the scheme to customers need to be aligned. Without breaching confidentiality, a possible plan of action for the service provider could be to collaborate with the affinity group in providing updates to the customers. For example, the statements issued to customers periodically could be used to update them about the contribution that has been raised. In addition, with regards to converging and conflicting interests relating to customer ownership (discussed in Section 2.3.1 – Affinity Partnering), the affinity group and the service provider should have an agreement in place as to how to manage the customers in the event where the terms of the partnership have to be altered or if the partnership has to end. The agreement should be tailored with the customers in mind. For instance, if the affinity group was to form a new partnership with another service provider, the customer should be given a choice of either staying with his or her existing service provider or moving to the new service provider. If a customer wishes to stay with the existing service provider he or she will need to transfer his or her account to a regular credit card. However, if the customer wishes to carry on supporting his or her group through an affinity card then he or

she will need to switch to the new service provider affiliated with the affinity group. Due to data protection the old service provider would be the only one who knows the members that have subscribed to the affinity card. Therefore the best way of informing existing customers of any change would be through the circulars or the statement that are sent from the service provider to the customers periodically.

Service providers should also cultivate an ongoing communication loop with the customers to minimise the risk of customers being tempted by other competitive offers as discussed in the previous Section (9.2.2). For example, the service provider may advertise any additional services with the regular statements issued to customers.

The findings also showed that service providers were not forthcoming in resolving problems that customers had with regard to their affinity cards. For example, service providers were criticised for not responding to queries quickly. In general, regardless of whether the communication is about resolving an issue or closing an account, the service provider should be co-operative in providing the best possible assistance or aftercare that may be required.

9.2.2.4 Affinity Groups Role in the Success of Affinity Marketing

In Section 9.2.2.1.1 the affinity group's role in communicating the importance of the affinity card to its members and supporters was noted. Furthermore, in Section 9.2.2.3 the need for an agreement between the affinity group and the service provider, stipulating how customers should be managed in the event where the partnership needed to be altered or was about to end was discussed. Here the focus is on what the affinity group could do to enhance its relationship

with its members and supporters. This is important because Literature reviewed (Berger, 2007) and the data from the analysis have both indicated that the nature of the C - AG relationship could have an impact on the C-SP relationship (Chapter 5). Moreover a recent report on affinity group membership has indicated that 36% of the members chose not to renew their membership (www.marketinggeneral.com, 2010). With regards to members or supporters needs, issues raised by some of the participants in this study include: wanting more net-working opportunities, wanting to pay less for membership and products, as well as wanting clearer or deeper evidence of the benefits for members and the groups activities. Affinity groups could address these needs through various ways, for instance by encouraging more participation so that member's perception of the value of their affinity group membership could increase. Another way is through the continued assessment of members and supporters needs, to ensure evolving needs or possible concerns are being addressed. Consequently better understanding of their members and supporters can provide valuable marketing information, that can be of critical value to affinity partners.

9.3 Limitations of the Research

Understanding both the mediating role of the affinity groups in the process of dissolution and how this process affected the C-AG relationship were key objectives. Because of its qualitative nature, the findings may not be generalised to the wider population of affinity credit card holders. This thesis was fundamentally based on an interpretive approach that follows a belief system structured on exploring through immersion, understanding and interpretation. Thus, the approach fitted well with the research objectives. Moreover, the purpose of a qualitative study being conducted for the first time is to build theory through *understanding* rather than *generalisability* (Miles and Huberman, 1994; Yin, 2003). The

findings do, however, offer a suitable basis for improving the management of affinity marketing schemes as discussed in the previous Section (9.2) and for further elaboration in future research, which is discussed in the next Section (9.4).

Some of the other limitations of the research follow from the fact that the study focused on UK consumers only, and examined just one type of affinity product (credit cards). Thus, the findings from the research may not generalise to customers in other countries or affinity products other than credit cards. Nonetheless, the UK has the second most mature credit card market in the world and the data were collected from four different geographical locations. Furthermore, since the affinity credit card is the most successful product under the affinity marketing scheme, it provided a good base for this qualitative study. Hence, exploring affinity credit cards in the UK could provide rich data and insight into the industry.

9.4 Future Research

Future research should be conducted with quantitative data to strengthen the conceptual framework. For example, future research could include a more diverse affinity group such as universities, lifestyle, and membership groups. It must be pointed out that large-scale quantitative studies may also lead to outcomes that can be generalised and can further strengthen the conceptual framework that has resulted from this research. In addition future research should seek to test if the typologies identified hold with other affinity products and to find out if there are any additional typology groups.

Credit cards are generally categorised as low risk products because they are relatively simple services incurring little risk for the customers (Antonides and Raaij, 1998). Therefore, it would

be useful to find out how customers subscribing to high risk affinity products, such as insurance and investment, would react to different triggers of dissolution. Consequently, similar research in industries such as insurance, travel and tourism, and communication could either support the processes of dissolution found in this study or reveal different processes. In particular, such future research could explore if the key mediating variables (exit barrier, communication and affinity group consideration) will be the same as the ones identified here, or alternatively whether additional key variables will emerge.

In conclusion, the findings from this study can enhance the knowledge of affinity marketing as well as support the development and management of the scheme. This research has contributed to existing research of buyer-seller relationship dissolution in services marketing and it has also contributed to the limited literature on affinity marketing. The study has explored the dissolution of the C-SP relationship in a context that has never been researched before, the case of affinity marketing. It extends understanding of the complexity and dynamics involved in affinity marketing. The study has revealed a new perspective, which suggests that the C-ACC-AG had more influence on the triadic relationship as well as in the process of the C-SP relationship dissolution. This could affect existing assumptions or understanding of the triadic relationship in the case of affinity marketing. Further, the conceptual framework could be used to guide research relating to the dissolution of the C-SP relationship for other affinity products.

Appendix 1 Registration Form and Questionnaire

The following questions relate to general details about you, about all your credit cards including the affinity credit card(s) and the affinity group.

Section 1: Personal Details

Name : - _____

Gender : - Male _____ Female _____

Marital Status : - _____

Age : - 18-24 _____ 25-29 _____ 30-34 _____ 35-39 _____ 40-44 _____
 45-49 _____ 50-54 _____ 55-59 _____ 60-64 _____ 65+ _____

Section 2: About all Your Credit Cards (Affinity & non-Affinity Credit Cards)

- Currently how many credit cards do you have in total?
MAIN (most frequently used) _____ **ADDITIONAL** (less frequently used) _____
- Typically, how many credit cards do you keep for long term use? _____
- Which one(s) is(are) your main credit card? _____

- Have you ever cancelled a main or additional credit card **other than** the affinity credit card?
 YES _____ NO _____

If you answered 'YES' to the above question please answer questions 5 to 8.
 If you answered 'NO' to the above question please go to Section 3.

Please choose one main credit card as an example and where appropriate one additional credit card, in answering the following questions.

- | | Main | Additional |
|--|-------------|------------------------------|
| 5. For how long did you hold this card? (to the closest year) | | |
| 6. How often did you use this card? Please tick one of the following: | | |
| | | Several times a week |
| | | Several times a month |
| | | Once a month |
| | | Every few months |
| | | Rarely |
| | | Never |
| 7. For what purpose did you use your card? Please tick all that apply : | | |
| | | Supermarkets |
| | | Holidays & Travel |
| | | Clothes |
| | | Utility bills |
| | | Online payments |
| | | Emergencies |
| | | All expenditure |
| | | Other (please specify) _____ |
| 8. Very briefly please could you describe why you cancelled this card? | | |
| Main : - Additional : - | | |

Section 3: About the Affinity Credit Card Only

9. Which affinity credit card(s) did you hold? _____

10. If you have cancelled more than one affinity card, which one was your **main card**?

11. When did you terminate the affinity card linked to the **Professional/charity** group?

12. For how long did you hold the affinity card named in question 11? _____

Section 4: About the Affinity Group

Please answer the following questions in relation to the **professional/charity card** named in Section 3 Question 11.

13. Are you a member or supporter of the affinity group to which your affinity credit card related to?

YES _____

NO _____

- 13A If 'YES' please answer the question below

- 13B If 'NO' please answer the questions below

- 13A1. How long have you been a member or supporter of this affinity group? _____

- 13B1. Have you ever been a member or supporter of this group?

Yes _____ (go to Question B2)

No _____ (go to Question 14)

- 13B2. For how long were you a member or supporter of this group? _____

14. Were you aware of the benefits the group get as a result of you, using this card?

YES _____

NO _____

15. Please indicate your level of agreement with the following statements by **ticking** the appropriate box for each statement.

Strongly Disagree
1 2 3

4 5 6 7
Strongly Agree

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
This group is an important reflection of who I am							
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel that this group is worthwhile							
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel good about this group							
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I take part in this groups activities on a regular basis							
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I share this group's concerns							

Thank you for your time for completing this questionnaire

Appendix 2 Research Information and Consent Form

Informed Consent Form for Research Participants

Study Title - Customer Relationship Dissolution: The Case of Affinity Marketing Relationships

Researcher: Aster Mekonnen (The Open University Business School), **supervised by:** Professor Angus Laing (University of Glasgow, School of Business and Management) and Dr Fiona Harris (The Open University Business School).

You are being asked to participate in a research study about customer relationship dissolution. **Please read this form and ask any questions that you may have before the interview proceeds.**

Aim and Purpose of Study

The purpose of this study is to get a deeper understanding of the process of relationship dissolution (that is - ending or termination) between customers and service providers. In particular this study will try to understand the behaviour and feelings experienced by customers, when they stop using their affinity credit card/s and decide to end their relationship with the affinity credit card provider (that is - the bank or financial service provider).

More specifically, this study will be examining what influence the affinity group might have on this process of relationship termination and how customers describe their experience of service termination.

Affinity credit cards are - credit cards which are linked to a not-for profit, commercial, or other membership organisations. In general customers would subscribe to such credit card because of their affiliation (i.e. link, connection or association) with a group as member and/or supporter of the group.

Description of Study Procedures

Data collected through an in-depth interview will form the research. The interview will commence with a short briefing of the purpose of the research in which you will be given the opportunity to ask for clarifications or ask any questions you may have about the research.

If you agree to participate in this study, we will ask you to fill out a registration form that asks general questions about you and your family and your credit card. Confidential information regarding, for example, credit card spending records or card details, will NOT be asked. The interview will last about an hour and a half. The interview will be audio recorded and transcribed in order to allow in depth analysis. Notes will also be taken about what is said during the interview.

Participants will be able to view any data held about themselves at any time. Any personal data recorded such as contact details will be destroyed once the study is completed.

How the information you contribute will be used and disseminated

The information collected will be used to develop understanding of how and why customers terminate their relationship with a service provider, where the service provided (that is - the credit card) is linked to an affinity group the customers support and/or are a member of.

The findings from the study will be reported to The Open University Business School, published in academic journals and will be generally available in the public domain.

Please initial box

Purpose of the Study

I understand that the purpose of this study is to understand the process of relationship dissolution between customer and service provider, in the context of affinity marketing.

Voluntary Participation

I understand that my participation is voluntary, that I can choose not to participate in part or all of the discussion, and that I can withdraw at any stage of the discussion without being penalised or disadvantaged in any way. I also understand that any or all of the information that I provide will be destroyed if I so request.

Confidentiality

I understand that my name will not be shared with any person, agency or organization not connected with this study and that anything I say in this interview will not be used in any way that will identify me. Only first names will be used in the interview.

Statement of Consent

I have read this form. I have had an opportunity to ask questions and have had my questions answered. I give my consent to participate in this interview.

Print Name

Date

Signature

Contact Person

Researcher: Aster Mekonnen, The Open University Business School,
Tel #
Supervisors: Names and contact detail

Appendix 3 Interview Guide

WARM UP – Introduction to Study and Participant.

Each question is followed by probing question(s) where appropriate. Example of some of the probes are indicated in bracket.

PART ONE – WARM UP

Q1 - Why did you take out your (X) affinity credit card?

(What is your relationship with the 'X' – the affinity group?)

Q2 - Could you tell me about the benefits the card used to offer?

Q3 - Were you aware of whom the card issuer was when you took out the card?

PART TWO – MAIN INTERVIEW

Q4 - Why did you want to stop holding your ____ (affinity) card?

Q5 - Could you just tell me everything that happened after?

Q6 - Were you using any other service tied-up with the card-issuing bank?

Q7 - Do you recall how long it took you from the time (trigger__) to the time the card cancellation was final?

Q8 - When you were considering cancelling your 'X' card did you think about alternative affinity credit cards or other credit cards that may be available to you? IF YES: What was the alternative (Could you tell me a little bit about that?)

Q9 - In general do you look at new deals / current offers in the market?

(How do you feel about changing credit cards? how frequently did you use your affinity card?)

Q10 - Do you talk about your (*this*__) experience to friends / families / colleagues?

(If yes – what sort of things did you discuss?)

Q11 - How has this experience changed your views about the affinity group?

Q12 - How about your views on the service provider? (If they have not said already)

(How often did you interact with the affinity card service provider?)

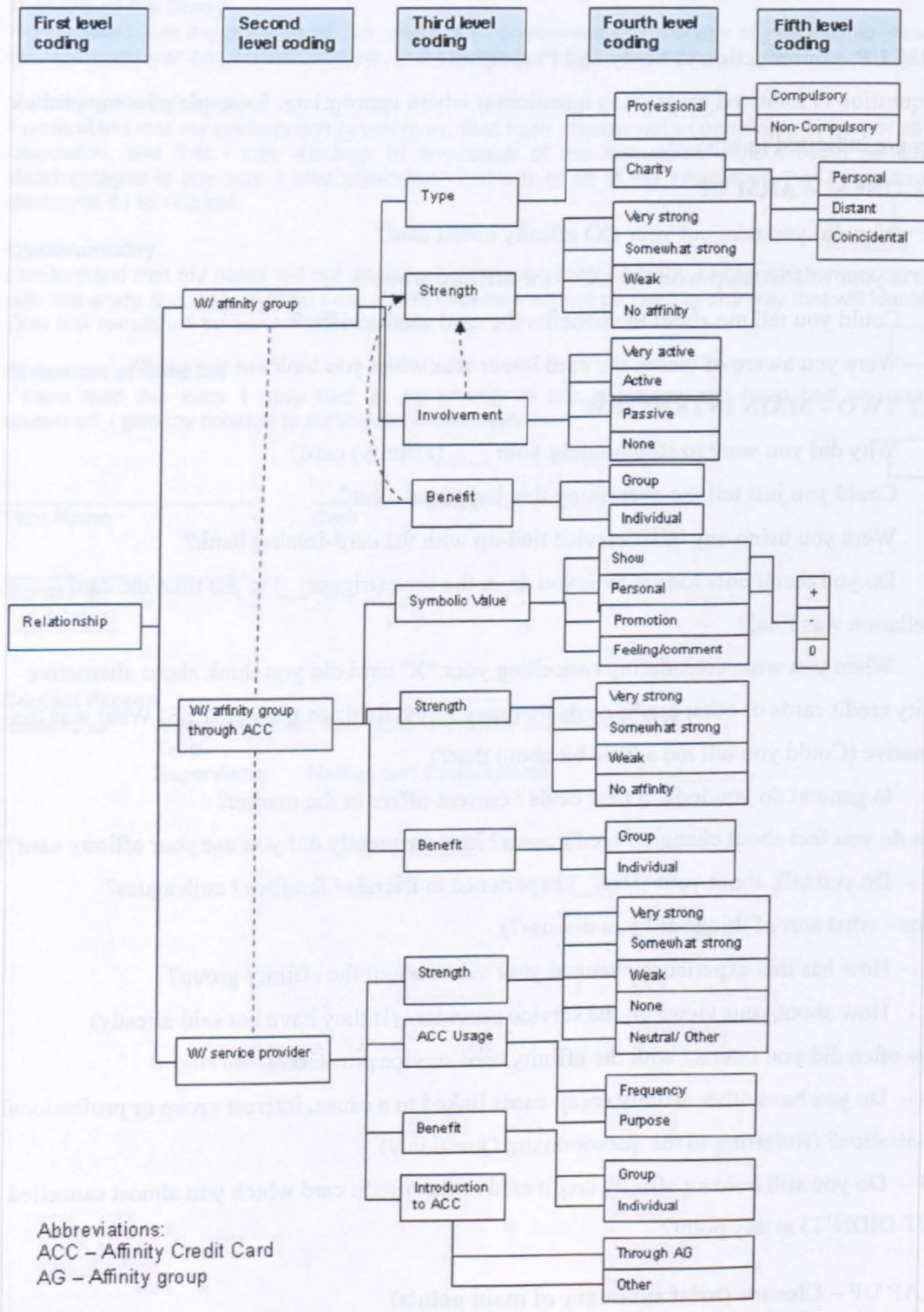
Q13 - Do you have other affinity credit cards linked to a cause, interest group or professional organisation? (Referring to the questionnaire Question 9)

Q14 - Do you still hold an affinity credit card / other credit card which you almost cancelled (BUT DIDN'T) at any point?

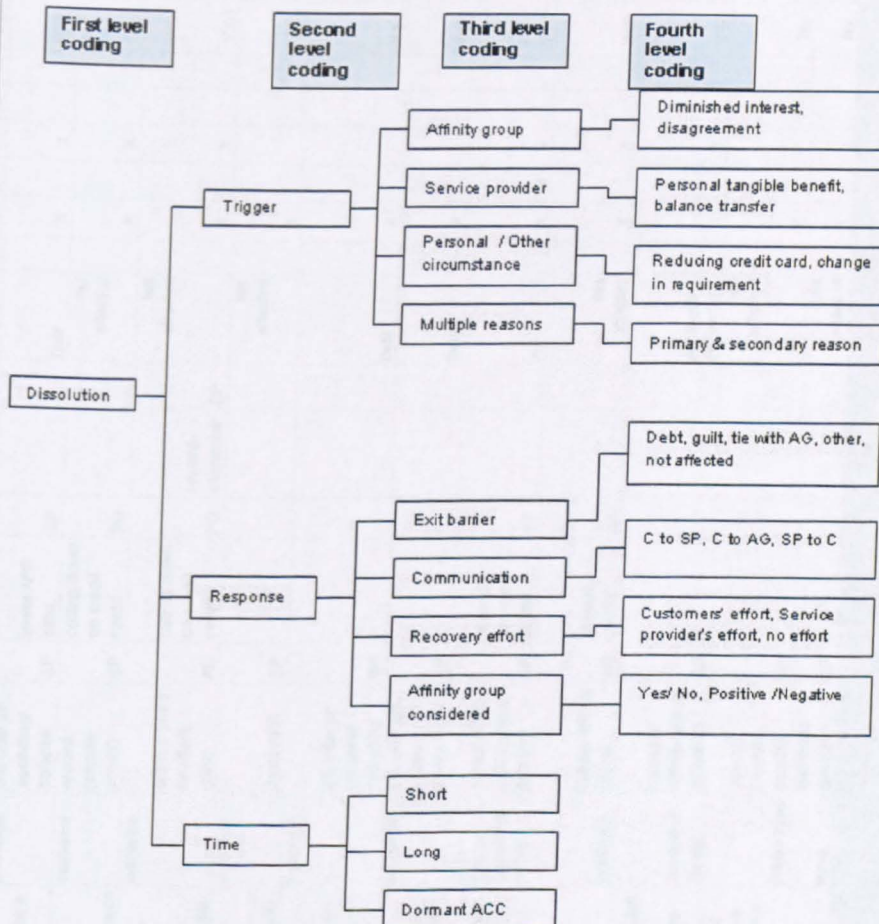
WRAP UP – Closure (brief summary of main points)

Appendix 4 Coding Frame

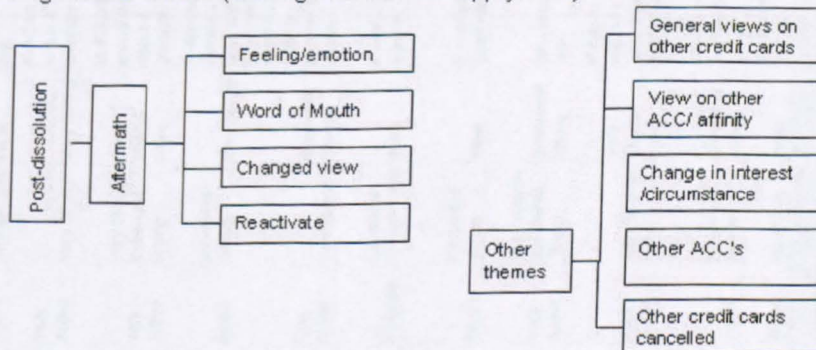
Coding Frame: Part A



Coding Frame: Part B



Coding Frame: Part C (Coding levels do not apply here)



Abbreviations: ACC – Affinity Credit Card
 AG – Affinity group, SP – Service Provider and C- Customer

Pseudonym	Affinity category	Type of C-AG Relationship	Involvement with the affinity group	Strength of C-AG Relationship	Strength of C-ACC-AG Relationship	1st Reason for acquiring affinity card	2nd Reason for acquiring affinity card	Strength / Nature of C-SP Relationship	Trigger - 1st reason	Source of Trigger	Trigger - 2nd reason	Source of Trigger	Trigger - 3rd reason	Source of Trigger	Exit Barrier	Communication:	C: SP just to end	C: SP to resolve	SP>C to retain customer	Lapsed credit card	C: AG credit card	AG Considered or Not
James	P	Compulsory	Active	Somewhat Strong> Weak	Strong> Weak	II-AG link	II- status	Indifferent	reward (points)	SP					Not affected					X		Y (-)
Linda	P	Compulsory	Active	Somewhat Strong> Weak	Somewhat Strong> Weak	IF-higher credit limit	IF- AG link & status	Indifferent	0% offer on spending/ balance	SP	lower APR offer	SP			Debt		X	X				Y (-)
Brenda	P	Compulsory	Very Active	Very Strong	Very Strong	IF-AG link, status & credibility	IF- insurance	Indifferent	reward (airmile points)	SP	cutting down on credit cards	PO			Not affected		X	X				No
Greg	P	Compulsory	Very Active	Very Strong> Somewhat Strong	Very Strong> Weak	II& IF-AG link, no annual fee, status & credibility	GF- to support AG	Indifferent	disillusioned by affinity group	AG	cutting down on credit cards	PO	reward-cashback	SP	Not affected		X	X				Y (-)
Richard	P	Compulsory	Active	Somewhat Strong	Very Strong	IF-discount, needed a credit card, & status	GF- to support AG	Indifferent	lower APR	SP					Not affected		X					Y (-)
Patricia	P	Non-compulsory	Very Active	Very Strong	Somewhat Strong	IF-needed to credit card for balance transfer & identity	GF- to support AG promote AG image	Indifferent	0% offer on balance/ spending	SP					Debt		X					Y (-)
Sally	P	Non-compulsory	Passive	Somewhat Strong> Weak	Weak	IF - balance transfer	IF - 0% on purchase	Indifferent	0% offer on balance/ spending	SP					Debt		X					Y (+)
Alice	P	Non-compulsory	Active	Somewhat Strong	Weak	IF – to build credit rating	IF - manage business finance	Very Strong> Somewhat strong	dissatisfied with service provider	SP	reward-airmile points	SP			AG		X	X	X			Y (+)
John	P	Non-compulsory	Very Active	Very strong> Somewhat Strong	Somewhat Strong	GF –to support AG	/	Indifferent	left the affinity group	AG	reward points	SP			Not affected		X	X				Y+&-
Alan	P	Non-compulsory	Very Active	Very Strong> None	Very Strong> None	IF & II–to support a 4 th party linked to ACC II - identity	GF- support AG & Promoting AG	Somewhat Strong	changed affinity group/ affiliation	AG					AG & guilt (4 th party)		X	X				Y (-)
Kelly	P	Non-compulsory	None	Weak> no affinity	Somewhat Strong	GF – to support a 4 th party linked to ACC	IF – Card seen as a prestigious card	Weak> None	reward (airmile points)	SP					Not affected		X					No
Sophia	P	Non-compulsory	None	No Affinity	Weak	IF - business decision	/	Weak	business decision	SP					Not affected		X					No
ABREVIATIONS: P - Professional C- Charity II - Individual IF - Individual Functional GI - Group Image GF - Group Functional PO - Other / Personal Trigger SP - Service provider AG - Affinity Group ACC- Affinity Credit Card Y(+) Yes Positive Y(-) Yes Negative																						

Pseudonym	Category	Type of C-AG Relationship	Involvement with the affinity group	Strength of C-AG Relationship	Strength of C-ACC-AG Relationship	1st Reason for acquiring affinity card	2nd Reason for acquiring affinity card	Strength / Nature of C-SP Relationship	Trigger - 1st reason	Source of Trigger	Trigger - 2nd reason	Source of Trigger	Trigger - 3rd reason	Source of Trigger	Exit Barrier	Communication: C-SP just to end	C-SP to resolve	SP-C to retain customer	Lapsed credit card	C-AG recredit card	AG Considered or Not
Sherry	C	Personal	Very Active	Very Strong	Very Strong> Weak	IF - needed a 2nd credit card	GF - to support AG	Indifferent	0% offer on balance/ spending	SP					Debt, AG & guilt	X					Y+&-
Colin	C	Personal	Very Active	Very Strong> Weak	Very Strong> Weak	GF - to support AG	/	Very Strong	unhappy with affinity group	AG					Debt, AG, switching cost	X	X	X		X	Y+&-
Nigel	C	Personal	Very Active	Very Strong> Weak	Very Strong> Weak	GF - to support AG	IF - tax incentive	Indifferent	unhappy with affinity group	AG	cutting down on credit cards	PO			AG & guilt	X					Y+&-
Jeremy	C	Personal	Active	Somewhat Strong	Weak	IF - balance transfer	GF - to support AG	Indifferent	amalgamating finance / debt	PO	affinity card facility not required anymore	PO			Debt	X					Y (+)
Chloe	C	Personal	Active	Very Strong	Somewhat strong	GF - to support AG	/	Indifferent	cutting down on credit cards	PO					Not affected	X		X			Y+&-
Stuart	C	Personal	Active	Somewhat Strong	Very Strong> Weak	GF - to support AG	IF - good rate & facility	Somewhat Strong> Weak	dissatisfied with service provider	SP	lower APR on balance transfer	SP	reward-cash back	SP	Not affected	X	X	X			Y+&-
Caroline	C	Personal	Very Active	Very Strong	Weak> Somewhat strong	IF - interest free period	/	Somewhat Strong	always changes her cards	SP	0% offer on balance / spending	SP			Debt & guilt	X			X		Y (+)
Matthew	C	Distant	None	Weak	Somewhat Strong> Weak	GF - to support AG	/	Very Strong> Weak	dissatisfied with service provider	SP	lower APR	SP			Not affected	X	X				Y+&-
Grant	C	Distant Coincidental	Passive	Weak	Somewhat Strong	GF - to support AG	/	Indifferent	lack of feedback from affinity group	AG	reward-points	SP			Guilt	X					Y+&-
Michael	C	Coincidental	Passive	Weak	Weak	IF - balance transfer	GF - to support AG	Indifferent	0% offer on balance/ spending	SP	lower APR	SP			Debt & guilt	X		X			Y (+)
David	C	Coincidental	None	Weak	Weak	IF - needed a credit card	/	Somewhat Strong> Weak	dissatisfied with service provider	SP					Debt	X	X				No
Ken	C	Coincidental	None	Weak	Weak	IF - free gift	IF - needed 2nd credit card	Somewhat Strong	cutting down on credit cards	PO					Not affected	X		X			Y (+)
ABBREVIATIONS: P - Professional C - Charity I - Individual IF - Individual Functional GI - Group Image GF - Group Functional PO - Other / Personal Trigger SP - Service provider AG - Affinity Group ACC - Affinity Credit Card Y(-) Yes Positive Y(-) Yes Negative																					

Appendix 6 Form for Screening Participants

<p>What is your NAME?</p> <p>Q2. What is your ADDRESS?</p> <p>POSTCODE</p> <p>Q3. What is your PHONE number?</p> <p>HOME</p> <p>WORK</p> <p>MOBILE</p> <p>Q4. SEX?</p> <p><input type="checkbox"/> Male</p> <p><input type="checkbox"/> Female</p>	<p>NONE TO HAVE BEEN TO GROUPS IN THE LAST SIX MONTHS OR WORK/KNOW SOMEONE IN INDUSTRIES AT Q7</p> <p>Q10. Have you ever had a credit card?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>CLOSE</p> <hr/> <p>ALL MUST HAVE HAD A CREDIT CARD</p> <p>Q11a. Have you ever had a credit card from an organisation other than a bank or building society? This could for instance be a credit card from a charity organisation such as "The National Trust", from your football team such as "Manchester United", or from a professional organisation such as "CIMA (Chartered Institute of Management Accountants)" or "The British Medical Association".</p> <p><input type="checkbox"/> Yes</p> <p>Code type below</p> <p><input type="checkbox"/> No</p> <p>CLOSE</p>
<p>RECRUIT MALE AND FEMALE</p> <p>Q5. What is your AGE?</p>	<p>PLEASE SEE EXAMPLE LIST OF TYPE OF ORGANISATIONS WE ARE LOOKING FOR AND THE SHOWCARD WHICH DEFINE THE TWO TYPE OF CARD HOLDERS WE ARE SEEKING.</p> <p>ALL MUST HAVE HAD CREDIT CARDS ISSUED BY A CHARITY OR CAUSE BASED ORGANISATION OR A PROFESSIONALLY BASED GROUP.</p>
<p>ALL MUST BE OVER 21- RECRUIT AN GOOD SPREAD OF AGES</p> <p>Q6. What is your OCCUPATION?</p>	<p>Q11b. Please specify which organisations?</p> <p>Credit Card 1</p>
<p>RECORD DETAILS</p> <p>Q7. Which, if any, of these industries do you or any of your family or close friends work in?</p> <p><input type="checkbox"/> Advertising</p> <p><input type="checkbox"/> Government</p>	<p>Credit Card 2</p> <p>Credit Card 3</p>

<input type="checkbox"/> TV <input type="checkbox"/> Journalism/ PR <input type="checkbox"/> Marketing <input type="checkbox"/> Financial <input type="checkbox"/> Market Research <input type="checkbox"/> Production of financial products	Credit Card 4
Q8. Have you ever attended a market research discussion? <input type="checkbox"/> Yes <input type="checkbox"/> No Q9. Have you attended a market research discussion in the last 6 months? <input type="checkbox"/> Yes <input type="checkbox"/> No	<div style="border: 1px solid black; padding: 5px; text-align: center;"> CHECK QUOTA 12 MUST HAVE HAD CREDIT CARDS ISSUED BY A CHARITY OR CAUSE BASED ORGANISATION AND 12 MUST HAVE HAD CREDIT CARDS ISSUED BY A PROFESSIONAL BODY ORGANISATION </div> Q12c. And, before you terminated the service, how long did you hold the credit card account? Credit Card 1 Credit Card 2 Credit Card 3 Credit Card 4
Q12a Thinking about the credit card(s) you Just told me about, do you still carry these credit card(s) or have you terminated the service? <div style="text-align: center;"> Still carry Terminated service </div> Credit Card 1 <div style="text-align: center;"> <input type="checkbox"/> <input type="checkbox"/> </div> Credit Card 2 <div style="text-align: center;"> <input type="checkbox"/> <input type="checkbox"/> </div> Credit Card 3 <div style="text-align: center;"> <input type="checkbox"/> <input type="checkbox"/> </div> Credit Card 4 <div style="text-align: center;"> <input type="checkbox"/> <input type="checkbox"/> </div>	<div style="border: 1px solid black; padding: 5px; text-align: center;"> WRITE IN – ALL RESPONDENTS MUST HAVE HELD THE ACCOUNT FOR MINIMUM 2 YEARS. IDEALLY WE WANT A SPREAD ACROSS ALL DEPTS OF RESPONDENTS THAT HAS HAD THE ACCOUNT BETWEEN 2-15+ YEARS </div>

<p>I am currently not holding any of these</p> <p><input type="checkbox"/></p> <p>Recruit</p>	
NONE TO STILL CARRY QUALIFYING CREDIT CARD	
<p>Q12b. When did you terminate the credit card service?</p> <p>Within the last 6 months</p> <p>Over 6 months ago</p>	
<p>Credit Card 1</p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	
<p>Credit Card 2</p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	
<p>Credit Card 3</p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	
<p>Credit Card 4</p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	
ALL TO HAVE TERMINATED THEIR SERVICE OF QUALIFYING CREDIT CARD WITHIN THE LAST 6 MONTHS	

Appendix 7: Case Study Summaries for Explorer

Abbreviations used in all the case studies to follow:

- C-AG - Strength of participants' relationship with the affinity group
- C-ACC-AG - Strength of participants' relationship with the affinity group through the affinity credit card
- C-SP - Strength of the participants' relationship with the service provider

Sally

Sally: Explorer (F) 35, Professional (non-compulsory), held the affinity credit card for three years and been a member of the affinity group for nine years.

Brief Profile

Sally was a single professional, qualified as a teacher and has been working in that field for nine years. She enjoyed travelling and went on holidays frequently. She liked spending and described herself as a 'shopper-holic'. Sally was very active in children related events and often took part in fundraising for related charities.

The Triadic Relationship (C-AG: Somewhat Strong >Weak, C-ACC-AG: Weak, C-SP: Indifferent)

Sally enjoyed her profession, but she did not feel a strong affinity towards her affinity group. She was aware of the campaigns and lectures they run but she was not involved in any of the activities. Although she was passive member of the group she acknowledged that the group was important and would support her if she needed their help. However, she did not see the point of getting involved with the group, other than paying her monthly subscription.

"I am sure it would have been different if I had a problem or when I have problem, let's put it that way, it will be there. I would probably look at it with a whole new light but as it stands, no. They are not such a strong force in my life you see. As I said perhaps in the future, if I need them I would be more likely to have the affinity with them because then, they would help me out."

Sally viewed the affinity credit card as a weak connection to the group. Although she primarily took out the card to facilitate the transfer of the balance she had with another service provider, she also felt a slight sense of affinity when she first saw it.

Sally: "We get a magazine, but I don't even know what it's called. I think it's called the X(affinity group) magazine, the union magazine and I saw the balance transfer offer."

Interviewer: "Was that the reason you took it out?"

Sally: "yeah, it was just for that"

Interviewer: "What else was on the card, what else came with the card?"

Sally: "There was the whole affiliation part on it you know there was the X(affinity group) part on it the affiliation I think. So to be honest, I just saw that very quickly looked at it and put it down."

Sally used the card about twice a week or three times or so in a month depending on the time of year. During holiday times she used it more. For the most part Sally preferred to use telephone to manage the card, generally she did not interact much with service provider.

Nature of the relationship through the affinity credit card

Individual-functional benefit: Primarily 0% on balance transfer and purchases

Primary trigger: Service provider – Competitor induced

When Sally visited her bank to make the payment due on her affinity card, a customer representative informed her about the 0% balance transfer benefit she could get if she transferred her balance to a new credit card. This information prompted her cancel her affinity credit card.

Role of Mediating Variables in the Process of Dissolution

After Sally completed the application form for her new credit card, she proceeded with the dissolution by transferring the balance she had on her affinity card to her new credit card. Debt was the only exit barrier (functional barrier) Sally encountered and its impact was minimal since she was able to transfer her balance without any complications. Once the transfer was complete Sally called the affinity card service provider, to inform them she had cleared her balance and wished to cancel her account. After her initial contact with the affinity card provider, she did not take notice of any of the correspondence the service provider sent her. The communication between Sally and the service provider was minimal. Sally does not recall being encouraged to keep the card or being contacted by the affinity card provider regarding the cancellation of the card. Hence neither party made any effort to recover the C-SP relationship.

Consideration given to affinity group: Yes (Positive feelings)

Once Sally had decided to cancel her affinity card, she felt loss of the affinity for a brief moment, because it had represented her profession (positive consideration). However, in relation to the contribution the group used to get through the affinity card stopping, she felt that the monthly membership fees she pays to the group was enough and she was not interested in supporting the group further financially.

Sally: "For a moment I thought I should stay, but its finances, and there is no point in keeping spending

Interviewer: "But for a short moment you felt that you should stay. So why was that?"

Sally: "Just because, it had an affiliation with your profession and your union and you go out of your way to try it."

Summary

Sally was attracted to the card whilst bargain hunting, for a credit card that maximised her functional needs (individual-functional benefit) and it was also something different to try. Both of these reasons are typical benefits sought by explorers. Consequently Sally's C-ACC-AG

relationship was weak. Overall, for Sally the process of dissolution was uncomplicated. The fact that she sought another credit card that maximised her individual–functional benefit also shows that she is an explorer. Although she encountered one exit barrier (debt) its impact was minimal, as she was able to overcome it without incurring any cost or facing any resistance from the service provider. On the whole Sally’s interest of supporting the group through the card was low. The positive feeling associated with affinity group consideration relates to the slight sense of personal affinity she felt through the card when she finally decided to cancel it. Finally, Sally’s opinion of the affinity group was not affected by the dissolution of her C-SP relationship.

Caroline

Caroline: Explorer (F) 41, Charity (Personal), held the affinity credit card for two years and been a member of the affinity group for three years.

Brief Profile

Caroline was married with young children. She works in the civil service. She enjoyed supporting her favourite charities. Ideally she would like to keep credit cards for emergency use only. She tends to swap round her credit cards a lot to take advantage of special offers such as interest free periods. However, her view in relation to personal banking was different. With personal banking she tended to stay with the same service provider for a long time.

The Triadic Relationship (C-AG: Very Strong, C-ACC-AG: Weak>Somewhat Strong, C-SP: Somewhat Strong)

Caroline’s relationship with the affinity group was very strong owing to the strong personal connection she had with (X) affinity group. She had a friend recovering from (X illness) and knows three other people who died of (X) recently. She was active in the sponsored events such as sponsored walks organised by the affinity group. Caroline would like to support the group more in the future.

The affinity credit card represented a number of charities, of which the affinity group was one. But only found this out after she took it out and she was pleased about it. Thus, to start with the card was a weak link to the affinity group. Although Caroline supported the idea of contributing through a credit card, it was not a priority for her.

“Well I would say, maybe as you spend you are also giving but I do think some people they’ve got so much to spend and they don’t think of others. So I think it is a way of giving something back, but also it’s not just you, for Y (the service provider) to give to them. You have to spend. It’s a bit like a three-way thing as you spend your charity earns through Y (service provider). So if you are not able to spend, they are not able to give so it is nice to think that a big company like that is able to give to them..... Well it made me feel quite nice as well.”

The affinity card provider was one of the leading high street banks. This made Caroline feel more credible because she believed they were stricter than some of their competitors in relation to who

they issued the card to. Furthermore, she gave credit to the service provider for taking part in such scheme. Caroline used the card frequently and was aware of information that came with the statements. Her statements also stated how much went to the charities.

Nature of the relationship through the affinity credit card

Individual-functional benefits – Primarily 0% on balance transfer and on purchases

Group-functional benefits – Contribution to the affinity group

Primary trigger: Service provider - Competitor induced

When Caroline came across another credit card which gave her a longer interest free period, she decided to cancel her affinity card. At the time since Caroline had extra money coming in from an insurance plan which enabled her to pay the balance on her card fully before cancelling it.

“I just kept hold of it because I wanted to pay it off and then again I didn't change it. I had lots in the past lots and I do change them.....

I don't always, always clear the bill but I simply need to clear the bill this time, because I had an insurance plan and I had some extra money.....If I didn't have money I would have still have had my 'X -affinity card' now. It was just literally I was fortunate to have that and thought right I really needed to tidy up some things and clear some debts”.

Role of Mediating Variables in the Process of Dissolution

Caroline's debt was an exit barrier for a period of time and to a lesser degree the guilt she felt was also a barrier. Caroline reported that generally, it takes her about three months to end a credit card. She would normally write to the service provider to inform them that she does not wish to keep their credit card. But with the affinity credit card she waited until the card lapsed and feels that she held on to it longer because of its personal attachment. As for the role of communication, Caroline's case was straightforward because neither she nor the service provider made any effort to maintain the relationship.

Consideration given to affinity group: Yes (Positive feelings)

When Caroline finally decided to end her affinity credit card, she thought about the affinity group and the contribution they got through the card. This compelled her to investigate if the new credit card she took out had a similar scheme. Regarding consideration for the group Caroline said:

“I did a little bit because I must admit it was the thing I saw, for example, when I saw the X(new card) one being advertised on TV and I wrote the web address down and a couple of days later I got the literature, ... I did open it up straight away just to check if there was anything. There was nothing on there. They do not do that sort of thing, and so I did feel a little bit (sad expression), well it was quite nice that somebody else was getting a percentage and it's not all going to 'X'(service provider) and you do pay, I mean you do pay and the interest is quite high.”

Summary

Initially Caroline was not aware that the affinity card was linked to an affinity scheme which supported one of her favourite charity. She came across the card amidst swapping her card from one to another, which she admits she does frequently to take advantage of individual-functional

benefits – this is typical of explorers. Although Caroline was pleased with the affinity card her priority was to maximise her individual-functional benefit. Hence, the affinity credit card was not a strong link to the affinity group. The process of dissolution was triggered by a more competitive offer. Caroline encountered two exit barriers - debt and guilt, which she was able to overcome easily. On the whole the communication between Caroline and the service provider and although she had positive consideration for the group she was not swayed by it. Furthermore, Caroline's opinion of the affinity group was not affected by the dissolution (aftermath).

Michael

Michael: Explorer (M) 24, Charity (coincidental), held the affinity credit card for two years and he has never been a member of affinity group.

Brief Profile

Michael lived with his girlfriend and their three young children. He was a consultant for an IT company. In his spare time, he enjoyed football and socialising. With regards to credit card usage, he was always on the look out for the ones that gave him the best individual-functional benefit.

The Triadic Relationship (C-AG: Weak, C-ACC-AG: Weak, C-SP: Indifferent)

Michael discovered his affinity credit card whilst searching for special offers with lower interest rate or interest free periods. His affinity credit card used to be his only link to the affinity group. He felt that the affinity group represented a good cause and was happy to donate to them through his affinity credit card. Michael was not involved with the group in any other way.

Interviewer: "How did you hear about the X (affinity) card?"

Michael: "I think it was advertised on the internet. I go onto you know, you go to different sites when you search for deal and stuff on youswitch.com. I use them often.That's how I obtained it. I saw about the card, I saw that it was a good deal as a credit card and I thought the X (affinity group) is also a good organisation. I do like animals, dogs and things like that. So I thought, for every time I spend hundred pound on this card, 25p goes to the X(affinity group) so I thought that's quite good"

Interviewer: "So you saw the personnel incentives and the group benefits?"

Michael: "yes it was personal for me, but obviously an organisation was gaining from the person using the card as well. So there is more than one winner."

Michael was generally indifferent towards all financial service providers. He used online banking a lot, including for the payment of his bill. He did not interact much with the service provider via other channels. He was satisfied with the service and had no complications with his account. He used to use his card frequently (for every thing) and then pay it off at the end of the month.

Nature of the relationship through the affinity credit card

Individual-functional benefit - 0% offers for six months and lower APR there after

Group-functional benefit – Contribution to the affinity group

Primary trigger: Service provider - Competitor induced

Michael coincidentally got a new job around the same time that the 0% offer on the affinity credit card he had run out. Fortunately his new position paid him more and this enabled him to pay the full balance on the affinity card. To a certain extent, the dissolution of the C-SP relationship was premeditated because Michael took the affinity credit card out with the intent of switching to a new service provider when the introductory offer came to an end.

“I didn't really want a credit card, where I had to pay interest and there were other credit cards out there which were offering like 0% APR for nine months. The APR on Y (his new credit card) was a bit better. They have all got very similar features. It's just when the time runs out umm I think they call us the credit card tarts or something like that...so it is just switching from one to the other and that is the reason I cancelled, for my financial benefit.”

Role of Mediating Variables in the Process of Dissolution

Michael encountered two exit barriers, debt and guilt. However, the impact of the exit barriers was minimal because firstly, he managed to pay off the debt fully before the 0% offer period ended and secondly, since he was never a strong supporter of the affinity group he did not feel very guilty.

When Michael contacted the affinity card provider to cancel his credit card the service provider tried to retain his custom by offering him a lower APR. But he rejected the offer because he felt it was far less competitive than the offer he had from a competitor, which he subsequently switched to. Shortly after Michael wrote to the affinity card provider, informing them that he wished to cancel his affinity card. He then received a letter from the service provider confirming the cancellation.

Michael indicated that the cancellation process took him a bit longer than what he anticipated, because he needed to do a financial forecast first and then go through the administrative process of cancelling his card.

Consideration given to affinity group: Yes (Positive feelings)

Overall, Michael believed that affinity credit card scheme was a good idea and felt a little guilty when he decided to cancel the card. But at that point, since he had used the card to its limit, he felt that the affinity group was not benefiting from it anymore.

“Well, if I stopped spending on it then they wont be getting anything from it because I've used it up, so I would have to clear that and use it up again”

“umm the process was really easy to terminate the card in terms of how you cancel a normal credit card they are all the same but in terms of cancelling it because it was the X (affinity card) there was a bit of a feel bad factor there, but I cancelled it anyway there was nothing else.”

Summary

Michael indicated that he was interested in looking for and investigating deals that suit his circumstance best and give him the best individual-financial benefit. For this reason he was identified as an explorer. Michael's incentive for acquiring the card and his general view on fulfilling individual benefit is typical of an explorer. Subsequently, this led to Michael being drawn to a more competitive product. In the process of the C-SP dissolution Michael had to

overcome two exit barriers – debt and guilt. Further the communication he had with the service provider was minimal. On the whole his priority was to get the best financial benefit for himself. Thus, the consideration he gave to the affinity group was minimal. Nonetheless, he had positive thoughts with about the affinity group and still believed that the scheme could make a difference to the group. Considering the aftermath, Michael's view of the affinity group had not changed as a result of the dissolution.

Alice

Alice: Explorer (F) 51, Professional (Non-Compulsory), held the card for ten years and been a member of affinity group for fifteen years.

Brief Profile

Alice was a self-employed artist who created bespoke ceramics. She managed to turn her hobby into her career and has been in the business for about fifteen years. Financially she felt secure and rarely looked out for special deals or offers. She was against borrowing and has never borrowed or paid interest. In her spare time she was highly involved in supporting her favourite charity.

The Triadic Relationship (C-AG: Somewhat Strong, C-ACC-AG: Weak, C-SP: Very Strong >Weak)

Alice came across X (affinity group) when she first started her business and appreciates the support the group gave her in setting up the business. In the beginning she used to seek advice from the group and was actively involved. However, she did not maintain her involvement for a long period. Yet, she maintained her membership because she believed that it was a good organisation.

Alice was made aware of the affinity card through the information pack she received when she joined the affinity group. She took out the card to manage her business transactions, to build her credit rating and to take advantage of the monthly interest free periods on repayments. Since the affinity group did not represent what she did in her profession she did not see the card as a reflection of her profession or as having any personal connection to her.

"It was a business card, to me it was just there as a tool..... it was always a business transaction with a business card that was it, plain and simple never anything else I didn't have any umm it was just a card. I didn't have any affection for it. It's just a card. It was a tool I needed at the time to maximise for myself. Which makes me sound terribly greedy, doesn't it. It was a business card and that was that I never really mix it at all, because you could never mix your business finances with your personal finance because you can get into a total mess doing that."

Alice used her affinity card for her business transactions and was happy with the service provider up to the point when she had a disagreement with them regarding the possible amalgamation of her two credit cards. The service provider used to liaise with her more frequently during the early

stages of her C-SP relationship.

Nature of the relationship through the affinity credit card

Individual-functional benefits – To build up her credit rating and to manage her business transactions

Primary trigger: Service provider - dissatisfied with service provider and airmile reward points

Alice has been using a credit card which gave her reward points alongside her affinity card for about a year. After some time coincidentally, Alice's affinity group changed its affinity credit card provider to the provider who issued her second credit. When Alice realised both cards were issued by the same service provider, she asked if the service provider could amalgamate the two cards. Subsequently, the unsatisfactory liaisons she had with the service provider, regarding her request led her to cancel the affinity card and keep the card that gave her individual benefit.

Role of Mediating Variables in the Process of Dissolution

During the period Alice was trying to amalgamate her two credit cards, initially she had a number of unsatisfactory liaisons with the service provider over the phone. Finally she wrote a long letter explaining her dissatisfaction and requesting for her affinity card to be cancelled, if they do not amalgamate her two credit cards. The service provider was unable to compile with her request. However, they tried to retain her as a customer for the affinity card as well by offering her other facilities, such as, balance transfer. As she did not require any of the offers and since she had already decided that she would cancel the affinity credit card if her request was not met, she cancelled it. Taking into consideration all the communications she had with the service provider during the evaluation process, Alice reported that it took her about two months to terminate her affinity card. Overall, Alice felt that the service provider did not care for its customers.

Consideration given to affinity group: Yes (Positive feelings)

Alice was positive about the affinity group and what it stood for. She has been a member of the group for a long time and felt a little obliged to keep the card. Additionally she also considered keeping the card for a functional purpose, as a back up card.

"I was using both. Now that would be where your affinity would come in, because I had it for such a long time but I never felt deeply loyal to it but there must have been a part in me. I thought I better keep it as backup just in case anything happened to this one. I mean, credit cards come and go so you never want to totally stop anything you know say you get a huge amount of bill comes, or if everything breaks and you need to replace everything at one time. Then you would need credit limit on both, but eventually I just stopped"

Summary

Alice took out the affinity card mainly to take advantage of the individual functional benefits it gave her. At a later stage, she took out a new card to take advantage of reward points. For these reasons Alice was identified as an explorer. Alice cancelled her affinity card because she was dissatisfied with the liaisons he had with the service provider regarding amalgamating her two

credit cards. Both Alice and the service provider had tried to maintain the relationship but unfortunately they did not reach an agreement. Alice's consideration for the group was positive since she supported what they stood for. In Alice's case the process dissolution was not straight forward. The extent of the communication in the evaluation phase resulted in the process taking a long time. Finally, considering aftermath, the process did not have any impact on the view that Alice had regarding the group.

Sophia

Sophia: Explorer (F) 35, Professional (Non-Compulsory), she held the card for three years and she was not certain about her membership

Brief Profile

Sophia was self-employed and worked in the fashion industry. Sophia and her business partner have been running their company for about fifteen years. Her hobbies included cinema, theatre, socialising and travelling. With regard to credit card usage she only used them to the extent that she can afford to. She was not interested in the additional benefits such as, reward points and balance transfers a credit card may offer.

The Triadic Relationship (C-AG: No Affinity, C-ACC-AG: Weak, C-SP: Weak)

Sophia was not really aware of the affinity group. She had nothing to do with the group and therefore no affinity. She only came across the affinity group when her organisation signed up for the affinity card, for its business transactions. Since her business partner was more involved with the administration of their company she believed that her business partner may have been involved with the affinity group. Nonetheless, she thought the concept behind the 'X' affinity group was useful for small businesses.

"My partner dealt with that side, I didn't really get involved from that side. I just had the credit card."

For Sophia the affinity credit card was simply a business credit card, hence the strength of her C-ACC-AG relationship was weak. Furthermore she did not use it frequently because she also had another credit card which she preferred to use for travel related expenses.

Sophia used her card for some of her business transactions. Her C-SP relationship was weak because she was not involved with any of the administration related to the card. However, she is aware that their company paid off the debt on the affinity credit card in full every month.

Nature of the relationship through the affinity credit card

Individual functional benefit - Company credit card used to manage business transactions.

Primary trigger: Service provider -Business decision

Sophia was not quite sure exactly why her company ended the affinity credit card. She was not involved in the administration of the credit card. She suspects they switched to another credit card, a master card, which gave their company a better deal for the transactions they undertook.

Role of Mediating Variables in the Process of Dissolution

Sophia was not aware of any issues that may have been a barrier to exit, when the company ended the affinity credit card. With regard to communication, she was only aware of one letter of cancellation sent to the service provider. She was not aware of all the communications, such as follow up correspondence, which may have taken place between her company and the affinity credit card provider. She did not recall how long it took to cancel either.

Consideration given to affinity group: No

Sophia was not aware of any benefit the affinity group may have received from the affinity credit card to start with. In addition, since she was not involved with the affinity group in anyway, she did not give the group any consideration when it came to ending her affinity card.

Summary

Sophia used the affinity credit card only for business transactions (individual-functional benefit) and was identified as an explorer solely for this reason. Although she thought that the affinity group may be good for small businesses she was not involved with the group in anyway. Sophia did not have anything to do with the administration of the card but thought that the company switched to a more competitive credit card. Sophia believed that the dissolution was straight forward, with no exit barriers encountered, no consideration to the affinity group and minimal communication with the service provider. However, Sophia did not comment on the C-SP relationship dissolution having an impact on the C-AG relationship due to her detachment from the affinity group.

Ken

Ken: Explorer (M) 50, Charity (Coincidental), held the card for seven years and has never been a member of affinity group.

Brief Profile

Ken was married with five children and two grand children. Now that his children were older, he has started taking part in different activities with his wife. He enjoyed watching sports and walking. They are also involved in raising fund for varies charities through their church.

The Triadic Relationship (C-AG: Weak, C-ACC-AG: Weak, C-SP: Somewhat Strong)

The affinity credit card was the only connection Ken had with the affinity group. Although he thought that the group was a worthwhile charity he was not involved with the group in any other

way. Thus the strength of his affinity to the group was weak.

Ken took out the affinity credit card at an event where the service provider was promoting the card and giving away a free umbrella as an incentive to those who subscribed to the card. At that time, since he was thinking about taking out a second credit card as a back-up card, he decided to use the opportunity to sign up for the affinity card and took advantage of the incentive as well. Ken only found out that an affinity group was linked to the credit card at a later stage, when he received the details. Ken was happy to find out that he was supporting the group through the affinity card. On the whole, his relationship to the affinity group through the card was weak.

“It’s not until the card came through that I got some more information I must admit and then I thought, oh great. I thought it was a worthwhile thing you know, I think. I mean it could have been for anything I suppose. I think with this affinity cards there are lots of different things aren’t there I could imagine but it just happens to be pure coincidence that it was ‘X’ affinity and as I said, I do like the ‘X’ affinity group.”

“It felt quite good actually yeah. It didn’t cost me anything, but it was a way of giving something if you know what I mean, so for each transaction that I did they got 10p in the pound or whatever they were giving whatever it was. I don’t know what it was. If you’ve got thousands of people doing it those 5 or 10 pence’s add up don’t they so, as I said I thought it was a good thing that, to be honest.”

Ken’s relationship with the service provider was somewhat strong. He felt the service provider showed consideration towards its customers. The service provider used to call him three to four times a year to update him with new product and to check if he was generally happy with the service. Overall, Ken appreciated the level of customer care he received.

Nature of the relationship through the affinity credit card

Individual-functional benefit – He needed a second credit card as a back-up card and he was also attracted by the free gift being offered at the time.

Primary trigger: Personal Circumstance changing - cutting down on number of credit cards he held

Ken gave up the affinity credit card simply because he had stopped using it as much and because he wanted to cut down on the number of credit cards he held. His decision came about after he began to think about the possibility of losing his credit cards and thinking of the hassle it could lead to. Furthermore, his preferred card, which he kept, was the visa card he had the longest, one that was issued to him by his current account provider.

Role of Mediating Variables in the Process of Dissolution

Ken did not encounter any exit barriers and the process was straightforward. He called the service provider and informed them that he wished to cancel his card. He was then asked to put his cancellation in writing. At this stage his wife also got involved in the process of communication and wrote to the service provider. During the process of dissolution the service provider tried to

encourage Ken to keep his affinity credit card. The service provider did this by first, asking him if there was anything they could do to make him change his mind and second, by telling him that if he ever wanted to reinstate his affinity credit card all he had to do was give them a call. However, Ken was adamant to cancel his affinity credit card and did not re-evaluate his decision.

Nonetheless, he was touched by their gesture towards him and felt they were quite helpful.

Consideration given to affinity group: Yes (positive feelings)

Ken thought the idea behind the affinity credit card scheme very good and he felt that ending it was quite sad because the group would not gain from it anymore. However, he did not really feel guilty about cancelling it because he hardly used it anymore. Furthermore, since the affinity credit card had been dormant for some time, he did not feel that it would be a great loss to the affinity group.

“It was quite sad, because of what it did but on the other hand it was just a necessity to get rid of it. If you know what I mean, as I said, I hadn’t used it for at least nearly a year before, I did actually finally cleared up everything. ... I don’t like debt as much. I would rather just pay for it but sometimes, as I said to you earlier it was ideal to have the card.”

Summary

When Ken initially signed up for the credit card, he was taking the opportunity to get a free gift as well as to take out a second credit card which he needed at the time. For these reasons Ken was identified as an explorer. Moreover, he was not even aware that he was subscribing to an affinity credit card in the first instance. Thus, his initial reason was simply individual-functional benefit. His weak link to the affinity group both through and without the card was reflected in the low level of consideration that he showed towards the group when he finally ended his affinity credit card. As for the overall process of dissolution, it was straightforward. The process was triggered by Ken’s personal circumstance changing (need to cut down on credit cards held), he did not encounter any exit barriers and he did not re-evaluate his decision. With regard to the aftermath of the C-SP relationship dissolution, Ken did not indicate that his view on the affinity group had changed as a result of the dissolution.

Appendix 8: Case Study Summaries for Communicator

Greg

Greg: Communicator (M) 48 Professional (compulsory), held the card for two-three years, and he has been a member of his affinity group for 31 years

Brief Profile

Greg was single and lived alone. He has been in his profession for over thirty years. He has a very active social life and enjoyed playing tennis and chess. What concerned him most in terms of his finances was, not having a pension. His view with regards to finance and spending has changed over time he was striving to keep his credit to a minimum and not get into debt. Furthermore, he was more inclined to use cash as opposed to a credit card.

The Triadic Relationship (C-AG: Very Strong>Somewhat Strong, C-ACC-AG: Very Strong>Weak, C-SP: indifferent)

Greg used to be active in his group, participating in the committee and the management team. He attended group meetings regularly and organized lectures. Thus initially the strength of his C-AG relationship was very strong. After a while he felt the activities were time consuming, the members were being taken advantage of and that his input was not appreciated. At that point he distanced himself from the group and was less involved. Hence, the strength of his C-AG relationship weakened (somewhat strong).

Greg first heard about the affinity card from one of his colleagues. He was attracted by the individual (functional and image) and group (functional) benefits the card offered; resulting in a very strong C-ACC-AG relationship.

Greg: “Right, it was no annual fee, naught per cent interest on transfers for up to five or six months, the APR was about twelve or something percent, plus I thought, by joining them it might give me a bit more credibility since I was a member of that organisation, because I am a member or a fellow member without the credential arbitration. So I thought it would give me some sort of credibility, but anyway, that is the reason I joined.I thought it would give me some kind of Kudos with the organisation. Presumably, I presume that X (affinity group) would have earned from me and from my colleagues. Otherwise there is no point on having it, so presumably for all the money we spent they would have got some sort of share. I never found out the details about that.”

Greg was under the impression that the group would use some of the revenue it raised to offset the membership fees from going up. Greg explained that during the period he held the affinity credit card, there was a lot of debate and resistance from members in response to the increase of membership fees. Greg was happy to support the group as long as the fees did not increase.

Greg normally used credit cards for larger purchases and for petrol. However, with the affinity card, to begin with he used it when he was socialising (to show off his professional card). But after the image value faded he did not use it as much. Greg was generally indifferent towards financial service providers and did not give any opinion regarding his relationship with them. However, he expressed his general dissatisfaction with service providers sending him too much unwanted correspondence.

Nature of the relationship through the affinity credit card

Individual-functional benefits: No annual fee, 0% interest and good APR

Individual-image benefits: Credibility and Symbolic value

Group-functional benefit: For the affinity group to raise fund

Primary trigger: Dissatisfied with Affinity Group

Greg was unhappy with how much the Chief executive officers (CEO) of the group earned. As a matter of principle, he was opposed to supporting such high salary and in his view having the affinity card would mean supporting the CEO's salary as well. The membership fee had also increased, which further added to his disappointment and at this point he stopped using his affinity card as much. This coincided with his plan to cut down on the number of credit cards he had, for security reasons. Greg had about five credit cards at the time. With the exception of two credit cards which gave him the best personal benefit, he decided to cancel the rest. Since he was unhappy with the affinity group, it was easy for him to pick the affinity card as one of the cards to be cancelled.

Role of Mediating Variables in the Process of Dissolution

Greg did not encounter any exit barriers. The communication he had with the service provider was minimal. He did not like writing letters, so he just called to inform them that he wished to cancel the affinity card. The service provider asked him why he was cancelling his card and encouraged him not to, by suggesting that they were thinking about introducing additional personal incentives. But since he had already made up his mind to cancel the card he was not waived by the service provider's effort to maintain the C-SP relationship. Although he did not specify how long, he indicated that the thought the process of dissolution took a while. Once he decided to cancel the card, it only took him a couple of days to inform the service provider. Further he told the service provider that he did not wish to be contacted in the future.

Consideration given to affinity group: Yes (Negative)

Greg was not certain how the affinity group benefited from the affinity card, but he was under the impression that part of the revenue from it was used to subsidize the CEO's salary, which in his opinion was too high. And this made him have negative feelings towards the group. Further, he

reported that he had ‘no qualms’ about cancelling his affinity credit card.

“Well it's a bit cynical, but one of the reasons I gave it up was because they pay their chief executive something like, in excess of quarter of a million pounds a year, which I will never earn, and as a matter of principle more and more people had cause to revolt because they voted to give there president more money and I think that is ridiculously high money. If I was supporting there affinity card or a business activity, whilst still accepting high fees just to pay somebody else's extortionate salary, as a matter of principle, I and a few other people objected to that.”

Summary

Greg took out the affinity card for the credibility and symbolic value he perceived it gave him, hence he was identified as a communicator. But after a while the value he had attached to the card diminished because: i) the notion of the card having a symbolic value faded; ii) his spending habits changed and iii) he was disappointed with the affinity group. Further, when he decided to cancel his affinity card the generic factors of a credit card had become more important for him. So when he compared the functional benefits of all the credit card he held at the time, he felt that the affinity card was not as good as its rival cards. In terms of the overall process of dissolution, Greg did not encounter any exit barriers and the consideration he gave to the group was negative. The service provider had tried to maintain the C-SP relationship but Greg was reluctant. With regards to the aftermath, since the process of dissolution was triggered by Greg's disappointment with the affinity group, the dissolution of the C-SP relationship could not have influenced the C-AG relationship. However it had added to the negativity he felt toward the group because he believed that the income the group earned from the affinity card contributed towards the CEO's salary.

Alan

Alan: Communicator (M) 34, Professional (non-compulsory), held his affinity credit card for two years and he was a member of the affinity group for two years.

Brief Profile

Alan profession relates to educations, he has been in this profession for six years and enjoyed his work. He was married with young children. He felt very strongly about issues related to children. Moreover, he was a strong supporter of children related charities. His hobbies included sports, mainly football and taking part in young children's activities.

The Triadic Relationship (C-AG: Very Strong>none, C-ACC-AG: Very Strong>none, C-SP: Somewhat strong)

Alan's non-compulsory membership was with a group (an association) that supported his profession. Although Alan was interested the group's activities, he was not as active as he would have liked to be since the group was small and did not have many members in the region where he worked. Eventually he felt that the group was not strong enough and that its

members were not well represented at a national level. Consequently Alan decided to change his membership to a much bigger affiliation which provided similar representation. At this point the strength of the relationship he had with his first affinity group had shifted from being very strong to none.

Alan found out about the affinity credit card through the group and appreciated the symbolic value he perceived the card conveyed. He believed the card partly represented his identity. In addition a percentage of the spending on the card was being donated to a charity he supported. The charity was a fourth party that was also linked to the affinity card. Hence, his C-ACC-AG relationship was very strong.

Alan: "I felt content, I suppose there was a little satisfaction knowing that some benefit was being made from me spending money and also just how that linked to my identity. I suppose me being 'X-his role' as well there was that little satisfaction.... yeah definitely a show of identity in being 'X' being supportive you know being a 'X'(profession) because I want to raise students and improve students rather than for any kind of selfish reasons. Plus I have concern for children, myself having children, the idea of the charity and supporting that as well. So yes it was the kind of fair overall reflection of my identity."

Alan used the card rarely for large purchases. Although Alan did not have much communication with the service provider, he felt he had a somewhat strong relationship with them. He appreciated that customers were informed of the amount that was donated through the card and thought that the service provider was considerate. For example, on one occasion the service provider had cancelled a late payment charge he owed them, when he explained why it was delayed.

Nature of the relationship through the affinity credit card

Individual-image benefit: show of identity

Group-image benefit: support and promote the group

Other benefit - support a fourth party linked to the card

Primary trigger: Dissatisfied with Affinity Group

Alan decided to change his affiliation due to his continuing discontent with the 'poor representation' he felt he got from the affinity group. When he left the group he decided to break all tie he had with the group which included the cancellation of his affinity card. In addition he was also offered a good rate on balance transfer by the service provider of the affinity card which was linked to the new affiliation he had joined.

Role of Mediating Variables in the Process of Dissolution

The only exit barrier Alan encountered was the guilt he felt about the contribution to the charity (the fourth party linked to the card) stopping. But this did not have a major influence on his decision to end the affinity card.

The communication in the process was straight forward. Initially Alan called the service provider to inform them that he wished to cancel his affinity credit card. He then wrote an official letter of cancellation which the service provider required. The service provider then contacted him to try and encourage him to keep his affinity card by offering him a lower APR, which he declined.

Consideration given to affinity group: Yes (Negative)

Alan had no regrets about leaving the affinity group, because he was disappointed by the level of support they gave him with work related issues. Moreover he did not feel that the group had strong representation or an active forum for its members to participate in

Alan: “If it is there was any sense of regret or any kind of doubt whether I should or I should not get rid of it, it was through the charity aspect of it and not the professional association or the card or the interest rate or anything related to that, yes it was the charity side.”

Interviewer: “So the majority of your colleagues are in the Y (new affiliation he joined)?

Alan: “that's why I'm now with that union because it is very active force in some of the issues, we were talking about. Also the communications I had and the X (the affinity group he left) is mainly by mail, which is being sent to me, whereas I could get involved in meetings local meeting school based meetings with people if I joined a different union.”

Summary

Alan was identified as a communicator because the affinity card held a symbolic value for him. Furthermore, he did not consider the loss to the group as a result of the dissolution. Alan was proud to have held the affinity card as part of his identity. But his dissatisfaction with the affinity group led him to leave the group and subsequently this triggered the dissolution of his affinity card. With regard to the dissolution, the loss of the donation to the charity associated with the affinity card was the only regret (exit barrier) he encountered. This led him to re-evaluate his decision because he felt guilty about the loss to the charity. In terms of communication the service provider had also tried to retain him as a customer but he declined as he felt the new affinity credit card he was switching to was more competitive. Alan's new credit card being an affinity card also shows that he was a communicator. Considering the aftermath, Alan's view regarding his affinity group changed because the expectation he had of the group was not met; and had nothing to do with the dissolution of the C-SP relationship.

Kelly

Kelly: Communicator (F) 33, Professional (non-compulsory), held her affinity credit card for two years and she has never been a member of the affinity group.

Brief Profile

Kelly was a single mother who worked as an events coordinator. In her spare time she enjoyed taking part in charity activities. Her outlook with regards to credit cards was to minimize the number of credit card she holds at any point of time to about two. Offers such as balance

transfers and low interest rates did not attract her since she never used these facilities.

The Triadic Relationship (C-AG: Weak>No Affinity, C-ACC-AG: Somewhat Strong, C-SP: Weak>none)

Kelly has never been a member of the affinity group nor was she connected with the group through the profession they represented. Her only association with the affinity group was through the work she had done for them, coordinating events. Hence her affinity to the group was weak. This eventually turned to 'no affinity' when she stopped working for them. At the time, through her work she was able to subscribe to some of the services offered to members, such as the affinity credit card.

Kelly came across the affinity card, advertised on the group's website. The affinity card also happened to be linked to a charity organisation (a fourth party) that received a percentage of the spending on the card. The link to the charity was what initially attracted Kelly to the card. In addition the card made her feel like she had a professional business/company card and she felt that she could use it to convey a professional status. For this reason her C-ACC-AG relationship was somewhat strong.

"I know I am kidding myselfwell I suppose it has got some prestige in having it it does not mean it's not a company card, regardless of the fact that I did work for the company it's not a card that you get only because you work for the company. It is not like you belong to this club thing, it is not. Well, I suppose it has got some prestige in having it. But after you've got it you kind of realize that. And when you realize that so little money goes to the charity, and for me personally I benefited more from looking on the website and getting other credit cards later on and you know what, I thought the other ones were better"

Kelly used her affinity card frequently but her interaction with the service provider was minimal. She had set up a direct debit to pay her bills and she never had any problems with the service. Overall she was satisfied with their service. Kelly was not too concerned as to who issues her credit cards. Generally, she simply thought of her credit cards as her Visa card, MasterCard or Amex and was indifferent towards her service providers.

Nature of the relationship through the affinity credit card:

Individual-image benefit: To convey status and use it as a company credit card.

Other benefit – To support a charity (fourth party) linked to the affinity card.

Primary trigger: Service provider – better competitive credit card

Kelly was induced by a standard 'X' credit card recommended to her by a friend. She thought 'X' credit card had personal tangible benefit (e.g. airmile) than the affinity card. Furthermore, reflecting on the contribution that the charity got through the card, she felt that it was too small. Kelly explained that she could easily donate more to the affinity group, by simply writing up a cheque to the charity, than through spending on the affinity card for years. In

addition, she did not want to hold more than two cards at any point in time. Therefore she chose to cancel the affinity card.

Role of Mediating Variables in the Process of Dissolution

For Kelly the administration process of the cancellation was quick and straight forward and took about three to four weeks. She does not recall getting any correspondence or communication from the service provider with regards to the cancellation. She said she was very explicit in her explanation to the service provider, as to why she wanted to cancel her affinity card and she believed that this was why the service provider did not encourage her to stay. Kelly did not encounter any exit barriers either.

Consideration given to affinity group: None

Kelly was not aware of any benefits going to the affinity group through the affinity card, nor did she support the idea of the group benefiting from the affinity card. On the whole she indicated that she had no reason to show the group any consideration. Kelly had already stopped working for the affinity group before she cancelled the card, but she explained this did not influence her decision. Kelly did not feel guilty about ending the affinity card, first because she had already left the company and second, because she was never attached to the group by profession.

Interviewer: “Do you know, if ‘X Institute’ (the affinity group) was getting anything out of this card?”

Kelly: “I do not actually, I assume not because that would be really, really bad. No I Assume not, do they?”

Summary

Kelly was identified as a communicator through the individual-image benefit she sought when she took out her affinity card. Her perception of the affinity card being a prestigious card and a card that could be seen as reflecting a company card shows her desire to communicate the image of being a professional. Kelly’s case was made more complex because the card was also linked to a charitable cause which received contribution through customers spending on the affinity card, which she supported. Over all the dissolution process for Kelly was straight forward. The trigger was service provider related (a more attractive core product) and she did not encounter any exit barriers. Furthermore, communication was minimal since neither of the parties involved attempted to maintain the C-SP relationship. With regard to the aftermath of the dissolution, Kelly’s opinion about the group had not altered in anyway. Moreover, since she was never a member of the group she never had an opinion about the group. She liked the idea of projecting a professional image through a credit card and commented that if a more attractive personal benefit was attached to the affinity credit card she would consider reactivating it.

James

James: Communicator (M) 41, Professional (Compulsory), held his affinity credit card for two-three years and he has been a member of the affinity group for 13 years.

Brief Profile

James was married with two children. He has been working in the legal field since 1992. His hobbies include Thai-chi and sailing. He was also interested in charities and was a trustee of several charities. In terms of his finances, he believed in securing the best deal for himself. In general he saw himself as a low user of credit cards and he always avoids paying interest on his credit cards by paying the full balance.

The Triadic Relationship (C-AG: Somewhat Strong>weak, C-ACC-AG: Somewhat Strong>Weak, C-SP: Indifferent)

For James, membership with the affinity group was compulsory. He acknowledged that the affinity group did a lot for its members, but at the same time he said that he felt a bit cynical about their role in general. For example, he questioned whether the group actually got the best deal for its members. Over time, James's affinity for the group evolved from being somewhat strong to weak. On the whole he was not too involved with or very active in the events organised by the group.

James came across the affinity card in one of the society's (affinity groups) gazettes. He took out the card because it was linked to the group and for the symbolic value he perceived the affinity credit card held. He felt that the card symbolised status through its attachment to the professional organisation it was affiliated to. James reported:

"it is prestigious in some ways...to be brutally honest there is some snob value attached to it...it makes you feel important."

When James initially took out the affinity credit card his C-ACC-AG relationship was somewhat strong. But after some time he actually felt embarrassed using the card. At this point James was using the card less and the symbolic value, the card once held for him, faded. Hence James's C-ACC-AG relationship weakened.

James's C-SP relationship can be described as indifferent. He never had any problems with the service delivery and his interaction with them was minimal. On the whole, he felt that the service provider was credible because it was endorsed by the affinity group. Generally he spends about 300 pound on credit cards every month and does not consider himself to be a heavy user of credit card.

Nature of the relationship through the affinity credit card

Individual-image benefit: Symbol of status and link to the affinity group

Primary trigger: Service provider – more competitive credit card

For James the process of dissolution was triggered by an offer from a more competitive credit card that gave him a tangible benefit. James used his affinity credit card in conjunction with his new credit card for about a year, before he decided to switch to put all his spending on the new card. Coinciding with his new credit card, his original interest (symbolic value) for the affinity credit card had also faded.

Role of Mediating Variables in the Process of Dissolution

James's affinity credit card had been dormant for about a year before he finally decided to cancel it. Eventually, James felt it that keeping his affinity credit card was pointless, whilst he could get tangible benefit through the more competitive credit card he had taken out.

In this case the administrative procedure for the process of the dissolution was not clear. He was not able to recollect if he had any communication with the service provider. He repeatedly stated that he 'simply let the affinity card lapse'. However, it was evident that once he had decided to end the affinity credit card he did not re-evaluate his decision.

Consideration given to affinity group: Yes (Negative feelings)

James was happy in his profession but he did not feel that the group needed its members support financially. In his opinion the membership fees were quite high and this should enable the group to look after itself. Furthermore, he explained that he was not getting any individual-functional benefit from the affinity credit card.

"You see the benefits it offered weren't any good to me so what's the point in having something when you don't get something out of it.....It was very easy personally, for me there were no second thoughts, or thinking, I am betraying anybody. I didn't think anything about it I just get on and do it. I think if it was a charitable thing maybe that would be probably...umm, you would feel pretty bad about giving that up. ..I think you would, you'd be quite a wretch so that's quite a smart thing for them to do. For me no, because the motivation for me is not a charity, this, that or the other. It's a different motivation ultimately, that's what it boils down to I suppose."

Summary

James's was identified as a communicator because he took out the affinity card for the status he perceived it symbolized. The negative consideration he gave the affinity group in the process of dissolution was also a common theme present amongst the communicators in this thesis. The dissolution was initially triggered by a more competitive offer (Individual functional benefit). In addition, for James the symbolic value he had once perceived the affinity credit held had faded. Fading of symbolic value is also one of the distinguishing features of a communicator. To the best of his recollection, James reported that the administration procedure of ending his affinity credit card as being very easy.

Considering the aftermath, although James's opinion of the affinity group and the strength of the relationship he had with the group had changed this was not related to the dissolution of the C-SP

relationship. Moreover, he indicated that he may reactivate his affinity credit card, if a very attractive tangible benefit was linked to it.

Brenda

Brenda: Communicator (F) 26, Professional (compulsory), held the affinity card for 2 years and has been a member of affinity group for two years.

Brief Profile

Brenda was single, she worked in a finance related field and as part of her work/role she was studying to get certified in her profession. In relation to credit cards the most important features for her includes no annual fee and personal tangible benefits such as cash back or airmile. In her spare time she enjoyed socialising and participating in the charity she supports.

The Triadic Relationship (C-AG: Very Strong, C-ACC-AG: Very Strong, C-SP: Indifferent)

Brenda was a fairly new member of the affinity group. She believed the group was supportive and did a lot for its members. She attended workshops organised by the group on regular basis.

Brenda's perception of affinity was 'link, connection and being recognised for something' and felt that she had a very strong affinity with the group.

Brenda found out about the affinity credit card through the groups magazine. As she was a new member at the time, she thought "why not" and took it out for the attachment. She never thought about or was aware of how the group benefited from the affinity card. She commented that having the card felt good and she enjoyed displaying it when she got the opportunity, so that she could show-off her professional affiliation. Furthermore, she believed that it added to her credibility, for example, when applying for store cards. On the whole, Brenda perceived the card as a good way of projecting one's identity and status, for this reason her C-ACC-AG relationship was strong.

"After all those years of studying it must be something you are aboutbecause unless someone knows you or knows you at work they don't really know what profession you are in, they don't really know what you do. For example, if you are a lawyer and if you had a card, and if you are trying to buy something and they can tell that you are professional lawyer. I don't know, I think it's probably a good feeling like a status it is kind of vain actually."

Brenda had no problems with the service provider and did not liaise with them much. She trusted the service provider because it was endorsed by the affinity group. As far as the core service was concerned she did not think that it offered the most competitive rates. She described the service provider as "standard and stable service....like any other credit card". In general she was indifferent towards the service provider.

Nature of the relationship through the affinity credit card

Individual-image benefits: Status, credibility and affinity group link

Individual-functional benefit: insurance offer

Primary trigger: Service provider – more competitive product (air mile reward points)

When Brenda was visiting her bank she came across a more competitive regular credit card with an offer for airmiles. She was drawn to the airmile offer since she travelled a lot (individual-functional benefit). Given that she wanted to accumulate as many points as possible and she did not want to carry more than two credit cards at a time. Therefore she decided to cancel her affinity credit card.

Role of Mediating Variables in the Process of Dissolution

For Brenda, the process of cancelling the card was straight forward. She did not encounter any exit barriers and explained that Once she had made up her mind, it only took her about two weeks to process the cancellation. Her service provider attempted to persuade her to keep her affinity card by offering her different deals. When she called the service provider to inform them of her intention to cancel her affinity card, she was transferred to a special team who asked her why she wanted to cancel and if there was anything they could do to keep her. However, Brenda did not feel that they could match the airmile reward points deal she was offered by the competitor and declined their offer.

Consideration given to affinity group: Yes (Negative feelings)

Brenda's consideration was only related to her losing a product that symbolised part of her identity. She did not consider what the loss to her affinity group as a result of the affinity card being cancelled. Hence, her consideration towards the group was assessed as negative.

“Well, kind oh their is my identity going kind of thing (laughter), because no one really knows unless you tell them or unless it comes up in a conversation where as when you are buying something you wouldn't have to tell them they would just know by the card you are using which sort of gives a statement about what you do.....because basically after going through all those years of studying it must be something you are about and you enjoy doing yeah so for a moment I did think oh that's a shame, but you know, it's got to go. It's got to go”.

Although Brenda's initial enthusiasm for the card was high, it appears that it had faded after some time. Furthermore, when she came across another credit card with a more appealing tangible benefit the symbolic value of the affinity card became secondary.

“Personally for me that is secondary. It is nice for somebody to know but that it is not doing anything. It doesn't give me anything tangible at all, probably because for me it would be secondary something like airmiles because it is more sort of something I could use if that makes any sense something I could spend is airmiles or cash back. Status or someone knowing what I do whether they know or not what will that do (laughter) although if there had been one more thing, one more thing that is not tangible then someone knowing whether you are a lawyer or you are a doctor or something that would be good that would be a bit more tempting I think.”

SUMAMRY

Brenda was identified as a communicator by the initial reason she took out the card. At the time she felt that the affinity credit card gave her more credibility and that it reflected her professional identity (individual-image). But in time the symbolic value of the affinity credit card had become secondary. The process of dissolution was triggered by a more attractive offer from a competitor. Brenda did not encounter any exit barriers. Although the service provider had attempted to sustain the relationship, Brenda did not think that their offer would be as good as the competitors. Furthermore, Brenda only thought about the loss of image the card had facilitated and did not give the loss to the group any consideration. The aftermath of the C-SP dissolution did not have any impact on Brenda's C-AG relationship. Actually she indicated that she would reactivate her affinity credit card if the service provider revised the scheme and offered a competitive rate and with at least one individual-functional benefit. If that was the case then she would prefer it over an ordinary card.

Patricia

Patricia: Communicator (F) 33, Professional (non-compulsory), held her affinity card for three and a half years and she has been a member of the affinity group for 16 years.

Brief Profile

Patricia lived with her boy friend and worked in a health related field. She actually joined her affinity group whilst she was still a student. In terms of credit cards she always looked for offers that gave her individual benefits such as lower APR and interest free periods. In her spare time she enjoyed amateur drama, dancing, singing, socialising and going out for dinner.

The Triadic Relationship (C-AG: Very Strong, C-ACC-AG: Somewhat Strong, C-SP: Indifferent)

Patricia believed her affinity group was an important organisation and she was happy to support the group financially through the monthly membership fees and through the affinity credit card. As a member she could benefit from union representation and join specialist interest group. In addition the group's website provided her with useful information's relating to the profession. Overall, she respected the group, trusted its opinions and followed up its activities whenever she could.

Patricia found out about the affinity credit card through one of the professional magazines she subscribed to. At that time, she was also looking for a new credit card which she could transfer her balance to. She liked the idea of having the logo of her organisation on her card. This gave her a sense of identity. In addition she was happy that the group got a percentage from the spending on the card and used it frequently.

Patricia: "At the time I was looking to change my card anyway and at the time they were offering I think it was nine month interest free period I think it was 0% interest on balance transfer for nine month. Now also I believe I don't know how much it was but, I think there

was also when you took out the card your association benefited the bank paid something towards it. I said alright then because it was affiliated with the association so I just thought alright I will go for it.”

Patricia: “I suppose this is a silly thing but just the fact that I suppose that it was just like a little identity the fact that it had the wee logo. From a silly point of view maybe having a wee logo I just got used to it.”

Interviewer: you said it felt like a little identity could you tell me a little bit about that?

Patricia: “I suppose it was quite a familiar thing really and it was on my qualification certificate and things and it was on the magazines I get and the journals I get and so for me it was quite a familiar thing.”

Patricia used her card frequently, especially for bigger purchases, holidays, emergencies and close to her pay day. She thought the service provider was a well known reputable bank. Other than that she did not comment on the core service or the service delivery. The only time she interacted with the service provider was when she made her payments and during the cancellation of her affinity card. Further, she reported that she did not have any complaints during the period she was with them.

Nature of the relationship through the affinity credit card

Individual-image benefit: identity

Individual-functional benefit: 0% balance transfer

Group-functional benefit: donation to group

Primary trigger: Service provider– competitive offer

Patricia cancelled her affinity credit card to take advantage of a 0% balance transfer a competitor was offering. Patricia has been paying the interest on the balance she had on the card since the nine month interest free period ended. She actually kept the affinity card longer than she intended before transferring her balance to the competitor’s credit card.

Role of Mediating Variables in the Process of Dissolution

The balance outstanding on Patricia’s affinity card account was the only exit barrier she encountered. Initially Patricia phoned her affinity credit card provider to inform them that she was ending the card. She then wrote to them to confirm the cancellation in writing. Once the service provider she switched to paid off the outstanding balance on the affinity credit card, she was able to finalise the cancellation by cutting up her card. Hence, the impact of the outstanding balance was to prolong the process of dissolution. Patricia did not re-evaluate her decision and the affinity credit card provider did not attempt to sustain the C-SP relationship. Overall, the communication involved was minimal and the process of dissolution was straight forward.

Consideration given to affinity group: Yes (Negative feelings)

At the time Patricia ended her affinity card the loss of income to the group did not cross her mind. The only thought she had with regards to losing her affinity card was from the perspective that she would lose the object (i.e. the affinity card) that symbolised her identity.

"I suppose this is a silly thing but just the fact that I suppose that it was just like a little identity the fact that it had the wee logo and then I got this 'Y- competitors' card that was not very nice and it just says Y".

Since Patricia's feeling was directed at the loss to her self only, her consideration to the group was assessed as negative.

Summary

Patricia took out the affinity card for its individual-functional, individual-image and group-functional benefits. Although Patricia had more than one reason for taking out the affinity card the symbolic value she perceived the card held was quite strong, hence she was identified as a communicator. Since Patricia had accumulated debt on her card and has been paying interest on the balance, she was attracted by a competitor's offer of zero percent for balance transfers. When she finally decided to switch to the competitors credit card, the only thought she had with regards to the affinity card was the losing the symbolic value it gave her. Overall, the process of dissolution was straight forward. Debt was the only exit barrier Patricia encountered. Further the communication during the process was minimal. With regards to the aftermath of the C-SP dissolution, this did not have any impact on the positive opinion she held of her affinity group.

Appendix 9: Case Study Summaries for Supporter

Nigel

Nigel: Supporter (M) 48, Charity (Personal), held the card for three and a half years and he has been a member of affinity group for four years.

Brief Profile

Nigel worked in the civil service. In his spare time he volunteered for a number of charities. His view on finance and credit card has changed. Over time, he has become more cautious in how he managed his finances. For example, he gave individual functional benefits more priority than he used to in the past.

The Triadic Relationship (C-AG: Very Strong>Weak, C-ACC-AG: Very Strong> Weak, C-SP: Indifferent)

Nigel was very devoted to the cause the affinity group stood for and used to be actively involved in the groups events. For example, he volunteered for the group and took part in fundraising activities. After some time, he begun to feel that the group was not doing enough in helping the cause and for this reason his involvement declined. Nigel gradually withdrew from the group and eventually he decided to discontinue his membership.

Nigel felt that the card was an extension of his support to the group was primarily interested by the donation it gave to the group. However, other than that he did not think it was different from any other credit card. He also liked the image on the card and he did not mind talking about it when asked. During the period he kept the card the strength of his C-ACC-AG relationship changed from being a very strong link to a weak link.

“I had actually been a member of the X (affinity group) for quite a number of years, and you get quite a lot of bumf? and I have been a member of quite a few organisations so, and one of the things was that they had a credit card which helped to support the organisation and I was a keen, very strong supporter of the ‘X’ and so that was the reason why I had the card to use. I thought as well as getting tax incentives I will get the ‘affinity card to help them out.”

Due to a negative experience in the past, generally, Nigel does not think that he has a relationship with financial service providers. Although he has not had any bad experience with his affinity credit card service provider, he still felt that they did not care for their customer. Initially he used the card a lot. Later on, after a conflict with the group he did not use it as much (about once a month).

“When I closed my previous account I was really put out. It really made me angry. Nobody bothered nobody bothered and in fact, nobody bothered when I stopped the ‘x-affinity group’ one, nobody bothers it’s just like oh so goodbye. And I just thought, they would say oh it is

sad, oh what can we do? Why nobody cares..... You think as a valued member, sorry as a valued customer, who never had any problems but it was just and I suppose that coloured my opinion. I suppose after that well, if that's the way you are treated why, so why bother. So when I finished with the 'x -affinity group' card. I did get a letter to say that it was closed and thank you. I suppose that it is better than nothing"

Nature of the relationship through the affinity credit card

Group-functional benefit– Donation to the affinity group

Individual-functional benefit – Tax incentive (secondary reason)

Primary trigger: Dissatisfied with Affinity Group

When Nigel found out more about how the affinity group was administered and how it supported the cause, he was disappointed because it did not meet his expectations. He discussed the issues that concerned him with group members, but in the end, feeling that things would not change he decided to cancel his affinity credit card.

"It was a personal thing it had nothing to do with the credit or anything it was to do with the actual organisation I sort of disagreed with certain things that the organisation did and then bit by bit I didn't use it as muchI felt that they were not doing as much....they choose to take the easy option out"

Role of Mediating Variables in the Process of Dissolution

It took Nigel quite a long time (about seven months) to cancel his affinity card. It was not easy for Nigel to break up all the links he had with the affinity group in one-go. The strong attachment he had with the group acted as a personal exit barrier which prolonged the process of dissolution. Nigel explained that the dissolution of his C-SP relationship was a gradual process. First he discontinued his membership with the affinity group. Then, he stopped using the card on regular basis. Next, he completely stopped using the affinity card but kept it dormant for about six months. Eventually he decided to cancel it. The timing of the C-SP relationship dissolution also coincided with Nigel cutting down on his credit cards.

The communication Nigel had with the service provided was straight forward and brief. First, he called the service provider to inform them that he was closing the account he then followed this through by writing a letter to confirm the cancellation. In this case none of the partners involved made any effort to retain the C-SP relationship.

Consideration given to affinity group: Yes (both Positive and negative feelings)

Positive: Nigel believed the contribution through the card was a good way of supporting the group and he still believed that the charity was a worthy cause. He even considered keeping the affinity card after he had made his initial decision to cancel it.

"Sad really. It is a sad thing, because no matter what your views are they do good things they do good work and I think in the last question on their I do think I still think they do a great work, but it is sad and I did think whether to just continue, that was the reason why I had the card after all, I did think about whether to continue..."

Negative: Regardless of how strongly Nigel felt about the cause the group stood for, his

expectation from the group was not met. He felt that the affinity group was not doing as much in comparison to other charities who supported similar causes. Nigel was deeply affected and felt guilty when his C-AG and subsequently his C-ACC-AG relationships ended.

“Sadness, ummmmm regret, because it is an emotional thing it was an emotional thing really and guilt in some way. There was some guilt there was guilt because, if you're not doing, no matter what there was that guilt factor. Yes guilt that I wasn't supporting them any more. I wasn't a member there was a guilt factor that it was the last link and also they were not getting anything from me. I was not supporting or doing anything but also the emotional tie of letting go as well, the emotional side as well.”

Summary

Nigel used to be a very strong supporter of the affinity group and this led him to take out their affinity credit card. At the time he believed that the affinity credit card was an extension of his support. Consequently the strength of his C-ACC-AG relationship too was very strong. After Nigel found out that the administration of the group did not meet his expectation he was disappointed and gradually started withdrawing his support for the group, this included the cancellation of the affinity card he held. He was deeply saddened that he had to cancel his affinity card since he still felt that the affinity group needed support and because the affinity card was the last link he had with the group. The process of dissolution was prolonged and took about seven months, mainly due to the psychological barrier, the guilt, he felt and whilst he was re-considering his decision to cancel. Nigel's opinion of the affinity group was not affected by the dissolution of his C-SP relationship, since it was actually his disappointment with the group and gradual withdrawal from the group that led to the dissolution.

Chloe

Chloe: Supporter (F) 32, Charity (Personal), She held the card for two years and she has been a member of affinity group for three years.

Profile

Chloe said she was a cautious person and did not like sharing personal information she did not need to. This was reflected in how she managed her finance as well. She never discussed or talked about her personal finance in detail with anyone and described herself as being very discreet. Her spending habit has changed over time. Chloe did not use credit cards as much as she used to, her preference was to use cash more frequently.

The Triadic Relationship (C-AG: Very Strong, C-ACC-AG: Somewhat Strong, C-SP: Indifferent)

Chloe has a personal attachment with the affinity group through her family. Her family have always donated to this particular affinity group because it supported people with 'X' illness (terminal illness) and issues related to it. Moreover her father died of this illness. Chloe was actively involved in the functions the group held to raise fund and awareness.

Chloe heard about the affinity card through the group and at that time she was very keen to contribute to the group in anyway she could. However since she had other credit cards, the affinity card was not used exclusively. Chloe's C-ACC-AG relationship was somewhat strong

"I was quite interested, because my father died of 'X'. I would always support 'X' charities, and I was already involved, I was involved as in I would go to their functions things like that I was a supporter to them and I think it was then. I'm not sure now it was a few years ago. I think it was something that was sent to me through the post. I thought, oh well I have got nothing to lose it another credit card, and I think then it was for £20 I can't remember or it is every £10 spent I don't know what it was that they had 25p or something going, I don't know what it was at the end of the day I gave them more over the years in other gestures, but every time I was spending they were benefiting something from it as well,....."

After a while the impression Chloe had about the affinity card changed. She did not feel that the contribution she made through the card was significant.

Chloe's opinion of the service was that, "the card did what she needed it to do", which implies satisfactory relationship. What's more, she distanced herself from having a strong relationship with the service provider, and discouraged them from contacting her. However, she commended them for their association with the affinity group and their role in the contribution. She considered them to be caring for contributing a percentage of its earning to the affinity group. She used the card about once a month, she had three other credit cards which she split her spending on. Further she had no problems with the service provider.

"It makes me look at the bank with a softer approach because it is probably the bank. That is giving the 25p or whatever the deal is. I would imagine it is the bank giving the money, because it's not me, because I'm just spending and the donation is coming from somewhere, which I can imagine the bank or the building society that is holding the card would give..... so it makes you feel good about them that they are giving. You are spending to give and they are the ones that are losing. It is they who are out of the pocket"

Nature of the relationship through the affinity credit card: Group-functional benefit

Group functional benefit – To donate to the affinity group and extend her existing support.

Primary trigger: Personal reasons – cutting down on credit cards

Chloe was going through a stage of her life, where she was changing her spending habit. She only wanted to spend what she had and decided to cut down on her credit cards. When deciding which credit cards she wanted to cancel, out of the three she had at that time, her main consideration was the individual functional benefits the cards offered. In addition she also wanted to keep the card she had the longest as she felt more loyal to that card. Thus, on both considerations the affinity card was the least favourable.

Role of Mediating Variables in the Process of Dissolution

Chloe did not experience any exit barriers. She had no outstanding balance on her card and did not feel sentimental or guilty about giving up the card. When Chloe contacted the service provider to cancel her card they made an effort to maintain the C-SP relationship. They asked her why she wanted to cancel the card and if she wanted to discuss her reasons or alternatives. But Chloe declined to discuss her personal reasons.

The whole process took about two months, from the time Chloe informed the service provider to the time she received the last correspondence from them. During this period she was annoyed by the statements she kept receiving. But the service provider explained to her that normally the administration may take some time, until all the transactions were cleared and the last statement was sent to the customer.

Consideration given to affinity group: Yes (Positive and negative feelings)

Positive: Chloe believed that any form of support was helpful to the charity and she acknowledged that whatever amount she gave through the card, would still be beneficial to the affinity group.

Negative: Chloe minimised the importance of the donation she made to the affinity group, through the card, when it came to cancelling it. She explained that it was small in comparison to her overall support. Moreover she felt that she had tried it but it did not work for her. This reason indicates how Chloe justified her decision to cancel the affinity card.

“I still donate I still give, you know my mother gives on behalf of the family. So we still give it just through a different channel, through a channel which we have always done. I mean, I feel like I'd like to help in charitable situations, causes and concerns but I thought I still do help and I also felt that for what I was using I don't know maybe it was just a few pounds a year. They were benefiting from me, it is still money for the charity, but I'd rather send them a cheque for £25 a year on top of what my mum does. I'd rather do that, instead of having the credit card. I'd rather give one off payment, and in a different kind of thing. I want to help you here is my payment that is my attitude with everything, well you know and don't drive me mad and I will give more but don't ask.... So no I didn't feel sad, because I've still got, you know I've still got the connection.”

There was tension between both positive and negative feelings regarding the contribution the affinity group got through the affinity card. On one hand Chloe acknowledges its importance but on the other hand she felt it was minimal.

Summary

Chloe was a supporter because her primary reason for taking out the affinity credit card was to support the affinity group. The strength of her affinity was very strong, however, the strength of her C-ACC-AG was not as strong. Once Chloe had decided to cancel her affinity card the process was straightforward. She did not encounter any exit barriers and the communication she had with the service provider was minimal. Chloe did not have any cause to reconsider her decision thus did not go through an evaluation phase in the process of dissolution. Chloe had positive and negative feelings with regards to the difference she would make for the group, through the

donation she gave through the affinity card. This was partly due to the fact that her main support to the group was through other means (family donations). Overall, the dissolution process did not have any impact on Chloe's relationship with the affinity group.

Stuart

Stuart: Supporter (M) 30, Charity (Personal), He held the card for two to three years and has been a member of affinity group for three years

Brief Profile

Stuart worked as a case officer for an internet hosting company. His hobbies included football, cinema and going out. Stuart donates to a number of his favourite charities whenever he could. Stuart's view on finance has changed recently, he feels that as he was getting older his priority should be to secure his finances and plan for the future. Ideally he would like to have all his finances with one service provider. Stuart was also very keen on online banking.

The Triadic Relationship (C-AG: Somewhat Strong, C-ACC-AG: Very Strong>Somewhat Strong, C-SP: Somewhat Strong>Weak)

Stuart and his family were strong supporters of human right groups such as the one his affinity card was linked to. He grew up being aware of such groups because his father was a former refugee. On one hand he thought what the affinity group stood for was great (voice for the people etc). But on the other hand he felt that in an ideal world, where there was peace, there would not be the need for them to be there.

Stuart took out the affinity card firstly, to extend his support to the affinity group and secondly, because the service provider was recommended to him by a friend as an ethical organisation that gave good rates and facilities. But after some time the enthusiasm Stuart had for the affinity card faded. Using the card also gave him a feel good factor.

"On opening it I think 20 or 30 quid goes to 'X' as a donation and for every hundred you spent like a set amount would go. I can not remember, so I thought, that is good I can probably use this in the future if I do this if I opened this. They would be getting money and the rate was a wee bit lower than the 'Y' Bank, so I thought, that is great. It is funny because you get these things and if you don't use it often, you kind of forget about it, you know, you only see your statement online every now and again."

Generally, Stuart uses credit cards rarely and he used internet banking to make payments or make queries. His relationship with the service provider started off well. However, the service provider's response to the problem he encountered led him to negative views about them and this led to his C-SP relationship weakening. Stuart talked about his negative experiences with his friends.

Nature of the relationship through the affinity credit card

Group functional benefit – To contribute to the affinity group

Individual functional benefit – Good rates and facility and service provider perceived as ethical.

Primary trigger: Service provider - Dissatisfied with the Service provider

The main trigger was the unsatisfactory service Stuart experienced with the online banking facility. In addition, when his personal circumstance changed and he wanted to merge his finances, he found a more competitive deal for individual functional incentives (lower APR on balance transfer and cash-back reward offer). Stuart's dissatisfaction was not related to the service he received in relation to his affinity card, it was concerned with the switch card he had from the same service provider. He had lost his switch card twice and on both occasions he was dissatisfied with the level of customer service he received. Subsequently this left a negative impression on the service provider as a whole.

Role of Mediating Variables in the Process of Dissolution

When Stuart decided to cancel the affinity card the affinity group was not a priority in his life. Even though he felt a little guilty about the contribution to the affinity group stopping, that did not deter him or make him reconsider his decision. However, he did have an outstanding balance on his affinity card, which deterred him from cancelling the card immediately. The transfer of the outstanding balance to the new service provider prolonged the process a little.

When Stuart lost his switch cards, he had numerous correspondences with the service provider to get a new one issued. He had emailed and called the service provider repeatedly, regarding two different incidents concerning his switch card.

"I sent them a couple of e-mails, they never answered. So I was wondering if there was anybody picking up the e-mail. So eventually I phoned them and I told them what happened and they apologised and they said that it that we are very sorry what can we offer you so I said no just give me a card as soon as possible and then it happened again. Funny enough, after about three months I think I was being silly and getting drunk, and the same thing happened. I sent a couple of e-mails and got no answer. So I thought the customer service could be a little bit better to responding, if you had a problem."

Finally, Stuart decided to cancel all the services he subscribed to, with the service provider as he felt that they did not care much for their customers. The service provider tried to persuade him to stay with them. But after considering his current priorities and the competitive offer he had already found he decided that the existing account was not the best deal for him. The entire process of ending the affinity card, including the transfer of his balance took two to four weeks.

Consideration given to affinity group: Yes (both Positive and negative feelings)

Positive: Stuart supported the idea of the affinity card scheme and was concerned as to what would happen to the contribution he made through his spending up to the point the card was cancelled. He had asked the service provider, what would happen to the contribution and he was

assured that it was secure:

Stuart: “I did ask a couple of questions. What about the donation? and she came back and said, well the donation is secure but you have got to think about the future spending you do and that may affect X(affinity group), and then I thought, well it just me one person, what can I do. But then I guess I thought it only takes one person to make a difference, so it did play in my mind a little bit, but not too much”.

Although Stuart had questioned the fate of the donation, at a later stage, when it came to considering his finance his priority was to get the best deal he could.

Negative: The negative feeling came from Stuart questioning the importance of one person’s contribution to the affinity group. Stuart justified his switching to a different service provider by pointing out that the service provider he had switched to also stood for a good cause that supports local communities. However, this was not directly through customers spending. He also added that he still donated to different charities in different ways.

In Stuart’s case, there was a tendency to sway between negative and positive feelings. On the one hand he tried to lessen the importance of one person’s contribution to the group through the affinity card. But on the other hand he acknowledged that every penny contributed counts.

Summary

Stuart was a keen supporter of the affinity group and took out the affinity credit card partly as an extension of his support for the group, hence he was identified as a supporter. At a later stage the enthusiasm he had for the card lessened, nonetheless he still believed in the cause the charity stood for. Dissatisfaction with the service provider coupled with change in his priorities financially led him to cancel his affinity card. The outstanding balance Stuart has was the only exit barrier he encountered, which he was able to overcome by transferring it to the new service provider. There were a number of communications between Stuart and the service provider during the process. Mostly it was in an attempt to resolve the problem Stuart had with his switch card and also when the service provider was making an effort to maintain the C-SP relationship. Stuart had both negative and positive feelings regarding the value of his contribution through the card. Finally, considering the aftermath, the dissolution did not change the strength or nature of his C-AG relationship.

Mathew

Mathew: Supporter (M) 45, Charity (Promotional). He held the card for ten years and he has never been a member of the affinity group.

Brief Profile

Mathew was married with two teenage children. He has been working in the IT industry for 25 years. He has a number of credit cards some with high credit limit for emergency and others with lower limit for general use. Normally the family's spending on credit card is high, but they would always clear the full balance within the interest free period.

The Triadic Relationship (C-AG: Weak, C-ACC-AG: Somewhat Strong>Weak,
C-SP: Very Strong > Weak)

Matthew's connection with the affinity group developed through the affinity card. He came across the affinity group through the service provider when it was promoting the affinity card. When he saw the advertisement he thought it was a good way of donating to the affinity group and he was happy to support them. Matthew believed that even modest giving counted. The affinity card was the only way Matthew was involved with the group.

The relationship Matthew had with the affinity group was weak, but the relationship he had through his affinity card was somewhat strong. Matthew had other credit cards, but during the period he held the affinity card, it was his preferred card.

"It was really a little bit of feel good for us that was all there was to it. It was I think, I suppose, soap to our conscious that we are actually doing some charity work here, whilst we are having a good time in the restaurant spending all this money. I suppose there was a sense of if I am going to spend the money and then I could spend it on something and then someone else could get money out of, because you have the choice of whatever you spend your money on whatever card you wish to use. If it was a way of getting some money to people that need it and then yeah that's a good idea
... when I had the X (affinity group) card I would have chosen that one first over the other ones for the simple reason as we said, you know when you used it a couple of pence went to the X(affinity group) I had no problem with that"

Mathew considers himself to be a high credit card user because he spends about £400 to £500 per month. He uses online banking extensively. Matthews's relationship with the service provider started off very well and carried on being strong for many years. He took out the affinity card because of the loyalty he had for the service provider. However, this relationship weakened after his negative experience with the service delivery.

Nature of the relationship through the affinity credit card

Group-functional benefit – To support the group

Primary trigger: Service provider - Dissatisfied with the service provider

When Matthew suspected that a fraudulent payment was made through his card, he immediately contacted the service provider to try and resolve the issue. However, the way his query was handled left him with a very bad impression of the service provider. Moreover, he did not feel valued as customer anymore. This subsequently led to the dissolution of the C-SP relationship. In

addition he was unhappy that the interest rate on the affinity card was increased.

Role of Mediating Variables in the Process of Dissolution

Matthew was not affected by any exit barriers partly because he never had a strong affinity to the group and because he did not have any outstanding balance on his card. Further, since he felt unappreciated by the service provider he did not feel guilty about the contribution to the group being discontinued.

When Matthew contacted the service provider to query a payment on his statement, the reaction he got left him with the impression that they thought he was cheating. Furthermore, he did not feel that they made any effort to help him resolve the mystery payment. Subsequently after spending several hours looking through all his correspondence (email etc) he realised that it was a payment he made. He then called the service provider to apologise for his mistake, but once more he felt the response he got from them was very negative. At that point together with his wife, they decided to cut up the card and send it back to the service provider with a letter of cancellation. Matthew actually felt that the service provider was more efficient in cancelling the card as opposed to dealing with the problem he had. Following this, Matthew felt that although he had attempted to maintain the relationship, he was not encouraged to keep the card or thanked for being a customer for so many years.

In Matthew's case the process of dissolution took less than a week. Overall the correspondence he had following his problem made him feel that he was not a valued customer, that the service provider was not considerate and that the service provider did not care about losing him as a customer.

Consideration given to affinity group: Yes (both Positive and negative feelings)

Positive: In general Matthew supported the idea of contributing through an affinity card and his opinion with regards to the positive aspect of the affinity scheme did not change.

"I am sure it is part of the original documentation we got with the card it did tell us that it would be a percentage of what we spent. I think it was like 0.01% or something like that umm it was a tiny proportion but then I thought it might only be 0.1% but if you get like a thousand customers then that is worth having. I am a great believer of taking a penny from million people is better than taking a tenner from 40 people. So I had no problem with the relatively modest donation to them because I thought there would be a lot of them and therefore it would be worth it."

Negative: Matthew's negative impression with respect to the scheme arises from the perception he had that the scheme was not a priority to service provider anymore and the fact that he did not feel valued as a customer.

"I think, like all these things they had a push on to get customers through the door to get customers in with the charity credit card so the customer service thing was right on the money but probably I don't think they give a monkeys afterwards. I think possibly the company's priorities have changed significantly and they have other priorities at that point

the other thing is with the gold card that Platinum card and all this kind of premium card for the high valued punter who is going to put lots of money through at the time, I think anyway, I was on the earning I think about 15,000 a year, when I got it. So I wasn't going to be on anybody's list of favoured high rollers at the time."

Summary

Matthew did not have a strong affinity towards the affinity group. Despite the fact that he was not actively involved or had any personal connection to the group he was happy to contribute through the affinity card and that was the sole reason he took out the affinity card, hence he was identified as a supporter. The process of dissolution was triggered by the dissatisfaction Mathew had with the service delivery. The process entailed Matthew having to communicate with the service provider several times, in an effort to recover the C-SP relationship, before he finally decided to end it. Matthew felt that every penny donated to the group counted (positive consideration to affinity group). But on the other hand, he justifies the dissolution, partly, by suggesting that the service provider did not appreciate his contribution anymore. Since the affinity card was the only connection Matthew had with the group, the aftermath of dissolution meant that he was no longer supporting or connected to the group.

Grant

Grant: Supporter (M) 59 Charity (Promotional), held the card four to five years and he has never been a member of affinity group

Brief Profile

Grant was married. With regards to spending habits in general he pays his credit card in full each month and likes to control his finances. In his spare time he enjoyed participating in a special interest group. He had the affinity card linked to his special interest group and felt that this particular card had a status symbol.

The Triadic Relationship (C-AG: Weak, C-ACC-AG: Somewhat Strong, C-SP: Indifferent)

Grants involvement with the affinity group was just through the affinity credit card, hence his C-AG relationship was weak. He came across the affinity group on an advertisement the service provider had placed in a newspaper, promoting the affinity card scheme. When he saw the advert, he thought it was a good scheme and liked the idea of donating through an affinity card.

Interviewer: "were you involved in any other way? Did you support them in any other way?"

Grant: "No, no just generally apart from being concerned about wild life in general and about the way the planet is going and anything sort of to save wild life seems to me like a good thing..... I think it was basically, I think the idea was whenever you used your card they get a penny or something, towards I think it was probably towards saving wild life I imagine, I don't know what they really do I wasn't really too sure about it."

Interviewer: "Was your connection to the group just through the bank or did you have any other involvement or subscriptions?"

Grant: “No just through the bank”

Since Grant had other credit cards, supporting the affinity group was the only reason he took out the affinity card. Grant was happy with the feedback he got on the amount of money that was being contributed to the affinity group through the affinity card scheme. The feedback was sent to customers periodically. However, Grant indicated that he would have liked more information on how the contribution was being used.

Gant used the affinity card frequently but not exclusively. His correspondence with the service provider was minimal, straightforward and satisfactory. During the period he held the affinity card he only had one minor query to which the service provider resolved to his satisfaction.

Nature of the relationship through the affinity credit card

Group-functional benefit – To donate to the affinity group through the card

Primary trigger: Dissatisfied with Affinity Group

After some time, Grant started to feel that his contribution was unappreciated. The reason being that he was not getting a detailed feed back from the affinity group as to how the contribution had been spent. In addition to this, he became drawn to another credit card which gave him individual-functional benefit such as reward points and interest free period.

Interviewer: “So the feedback you expected would it be in through adverts, the bank, how would you have liked to see the feedback?”

Grant: “I think maybe on the statement something more tangible about what they have done, rather than just a comment saying we have given them ‘X’ amount. Something showing what has come about because people like me are giving money. If they had been able to say oh well we have collected £100,000 because of these cards and we have done this with it, maybe that would have been more attractive you know, unless they did and I didn't notice it. But if they did it didn't strike me, you know”.

Role of Mediating Variables in the Process of Dissolution

When Grant decided to cancel his affinity credit card he felt a little guilty because the donation through the card would stop, but he has been feeling discontent with the affinity group for some time. The guilt was the only potential barrier he experienced. Grant did not have any debt on his affinity card and The card was dormant for a period of time and this may have been partly due to the guilt he felt making him reluctant to give up the card.

Once he had decided to cancel the card, he cut up the card and returned it to the service provider. He informed the service provider by using the return slip and envelope that was enclosed with his statement for the customers. Grant indicated that the service provider did not communicate with him or even encourage him to keep the card afterwards.

It took Grant about a year, from the time he had stopped using the card to the time he finally cancelled it. The card was actually dormant for a long period of time before he cancelled it.

Consideration given to affinity group: Yes (both Positive and negative feelings)

Positive and Negative:

Grant still believed that the contribution to the affinity group was a good idea and he explained that he felt a bit guilty that the affinity group would not benefit anymore. But, on the other hand due to the lack of detailed feedback from the affinity group Grant did not feel appreciated.

Grant: “umm, I suppose I just sort of thought well it doesn't really look like it means that much to them you know my little contribution is not that important. Maybe I was just justifying it to myself in, maybe I felt a little bit guilty about that”

Interviewer: “Why would you feel guilty?”

Grant: “Well you are stopping using because you want to get financial gain yourself from using a different card, and I guess I sort of felt a bit guilty”

Summary

Grant's relationship with the affinity group was distant and weak, but the strength of the relationship he had with the group through the card was somewhat strong. This was because this was the only link he had with the group. Grant was identified as a supporter because this was the only reason he took out the affinity card.

After some time, Grant felt that the group was not giving supporters enough feedback on the donation they got through the card. This triggered the process of dissolution. For Grant the dissolution was a gradual process and took about a year. His card usage lessened over time and the card was dormant for a long period. Grant felt a little guilty about the donation stopping and thinks that was probably the barrier that had prolonged the process of dissolution.

The impact of the dissolution on his C-AG relationship was that it left a negative impression on him on how the affinity group handled its affinity card scheme.

John

John: Supporter (M) 48, Professional (non-compulsory), he held the card for two years and was a member of the affinity group for three years.

Brief Profile

John was married and has a son. He was a self employed software consultant who runs his own business. Usually he has around two clients at any one time. When it comes to finance, he mentioned he was set in his ways. With respect to credit cards his interest was mainly the individual-functional benefit it gave him.

The Triadic Relationship (C-AG: Very Strong > Somewhat Strong, C-ACC-AG: Somewhat Strong, C-SP: Indifferent)

John first found out about the affinity group when he was attending a course in college on 'how to start your own business'. He joined the group because he supported the group's objective which was to encourage small businesses. When he first joined the affinity group his relationship was very strong. He got involved in the activities the group held in the hope that he would meet

potential contacts and hoping that the group would assist his business in other ways as well. After having attended few meetings he realised that the activities were not compatible with his needs. He has also looked into some of the services that the group recommended e.g. professional indemnity, but he did not take this up with the group as he was able to find a better deal with a different provider. At this point his interest in the group had weakened.

John found out about the affinity card after about six months of joining the affinity group. He felt the contribution going back to the group was a good idea. The image that the card conveyed was irrelevant to him because he did not think anyone took notice of credit cards images and that most were aware of the group. Moreover, he preferred to give his business card if he wanted to show people what he did.

John used the card frequently on general weekly expenses but it was not the only card he used. John felt indifferent with regard to the relationship he had with the service provider. When asked about his communication with them he emphasised the transactional nature of his relationship more than anything else. His communication was generally minimal, apart from paying bills he only corresponded with them a couple of times to query transactions he did not recognise. One of the comments he gave with regard to the service provider was as follows.

“They sent me a statement I sent them a cheque end of story”

Nature of the relationship through the affinity credit card

Group-functional benefit – to support the affinity group

Primary trigger: Dissatisfied with Affinity Group

After John discontinued his membership with the group, six months later, he decided to cancel the affinity card too. John cancelled his card mainly because he was no longer a member of the affinity group. In addition his other reasons were that he was not using it anymore, he had five credit cards and felt that it would be a good idea to cut down and he was drawn by a reward points a competitor was offering (individual – functional benefit).

Role of Mediating Variables in the Process of Dissolution

For John the process of ending the affinity card was straight forward, he did not encounter any exit barriers. He made a phone call to the service provider and then wrote a letter confirming the cancellation. The cancellation took about two months from the time he thought about it to the time he actually did it. He was offered another deal (special interest rate) by the service provider but it did not appeal to him since he was not interested in using the card anymore.

“They said they are terribly sorry to hear that and they tried ask me why I wanted to, and I just said I wasn't using it and then they said we are offering special interest deal and I said no I'm not interested. If I am not using it there is no point in keeping it

Although he did not want to get too involved with the service provider he was satisfied with the service. The service provider had sent him a letter twice since he cancelled the card, but he did not pay much attention to their letters.

Consideration given to affinity group: Yes (both Positive and negative feelings)

Positive: Even though, John never felt very strongly about the affinity group to start with, he was still supportive of the group and thought that the affinity credit card scheme was a good idea.

Negative: After having participated in some of the events the group held, John felt that the group does not cater for him (expectations unmet). Subsequently he had stopped using the affinity card and he felt detached from the group. Furthermore, since the card had been dormant for a while he felt that the group was not benefiting from him having the card anymore.

“It felt to me that it was a card that I am using from the bank of X, rather than a card that the Y (affinity group) were providing they were just sticking their letters on it. I was going to say logo but they don't really have much of a logo. No there wasn't really an attachment that I was breaking. I have already given up the 'Y' group anyway. And so I was pretty semi-detached from it.”

Summary

John had a non-compulsory relationship with the affinity group and had a somewhat strong relationship with the group. Supporting the group was the only reason he took out the card and this was the reason he was identified as a supporter. After some time John realised that the group was not suitable for his needs and he decided to end his membership. This subsequently triggered the dissolution of the affinity card. When he eventually got round to cancelling his affinity credit card he did not encounter any exit barriers. Although the service provider tried to sustain the relationship he did not re-evaluate his decision.

Although John had left the affinity group, he still felt that the group was a good organisation. With regard to the aftermath, since it was the affinity group that initially triggered the dissolution, the dissolution of the C-SP relationship did not have an impact on the C-AG relationship.

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